

DAILY REPORT

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PRC INTERNATIONAL AFFAIRS

GENERAL

CHINA DAILY Commentator on Peace, Disarmament	[18 Oct]	A	1
PRC Urges Halt to Arms Race in Outer Space		A	2
PRC Delegate Addresses UN on Self-Determination		A	3
U.S., USSR Open Talks on Air Service Resumption		A	4
Wan Li Meets International Marathon Participants		A	4

UNITED STATES

Bush Arrives in Guangzhou From Guilin 17 Oct	B	1
Reportage on Visit of U.S.-China Relations Group	B	1
Wu Xueqian Meets Group	B	1
Hu Qili Receives Visitors	B	1
Talks With Li Xiannian	B	1
CPPCC Vice Chairmen Meet Group	B	2
Li Peng Meets U.S. Chamber of Commerce Group	B	2
Beijing Radio Views U.S. S. African Policy	B	2
PRC, U.S. Launch Telephone Joint Venture	B	3
Chen Muhua Meets U.S. Industrialist 16 Oct	B	3

SOVIET UNION

Wu Xueqian Meets Soviet Vice Minister, Envoy	C	1
Further Reportage on Visit of Tolkunov-Led Group	C	1
Visits Hangzhou, Shanghai	C	1
USSR Embassy Hosts Banquet	C	2

NORTHEAST ASIA

PRC-Japan Amity Meeting Concludes in Dalian	D	1
Wang Zhaoguo Addresses Meeting	D	1
Hu Yaobang on PRC-Japan Relations	D	2
Japan 'Concerned' About U.S. Nuclear Sub Visit	D	3
Former Volunteers Groups Depart for DPRK	D	3

WESTERN EUROPE

Italian Communist Party Leader Concludes Visit to PRC	G	1
Arrives in Shanghai From Nanjing	G	1
Seen Off by Hu Qili, Qian Liren	G	1
Visit Considered 'Successful'	G	2
Comparison of Talks With Hu Yaobang	G	2

MIDDLE EAST & AFRICA

Reportage on Visit of Libyan Parliamentarians	I 1
Meet Peng Zhen	I 1
Geng Biao Addresses Banquet	I 1
Talks With Geng Biao	I 2
CPC Delegation Heads for Zambia, Seychelles	I 3

PRC NATIONAL AFFAIRS

Bo Yibo on Rectification, Building of Party		K 1
RENMIN RIBAO on Operation of Special Economic Zones	[7 Oct]	K 5
HONGQI Views Peace, Detente, Disarmament	[16 Sep]	K 9
RENMIN RIBAO Carries HONGQI Table of Contents	[15 Oct]	K 13
Leaders Congratulate Veteran Scientists		K 14
Hu Qiaomu on Ideological, Political Education		K 15
Hu Qiaomu, Others Visit Annual Art Exhibition		K 15
Xi Zhongxun, Song Renqiong Attend Opera Festival		K 15
Yang Shangkun Addresses Henan Commemoration Rally		K 16
Xi Zhongxun Attends Ma Bi Memorial Service		K 16
Hu Qiaomu Addresses Television Awards Ceremony		K 16
Fang Yi Addresses Invention Association Meeting		K 17
Li Peng Urges Electronics Industry Development		K 18
Chen Muhua Addresses National Bankers Meeting		K 18

PRC REGIONAL AFFAIRS

EAST REGION

Anhui's Huang Huang Addresses Nonparty Forum	O 1
Jiangsu's Han Peixin Addresses PLA Meeting	O 1
Jiangxi Leader Meets Red Army Report Group	O 2
Shanghai Comfort Team To Leave for Jiangxi	O 3
Wang Fang Speaks at Zhejiang CPPCC Meeting	O 3

SOUTHWEST REGION

Guizhou Vice Governor on Capital Funds Shortage	Q 1
---	-----

NORTH REGION

Hebei Circular on 1986 Wheat Purchasing Task	R 1
Commentator's Article	R 1
[HEBEI RIBAO 20 Sep]	
Hebei Secretary on Problems in Party Style	R 2
[HEBEI RIBAO 2 Oct]	
Shanxi Leaders Attend Women's Congress Opening	R 3

PRC MEDIA ON TAIWAN AFFAIRS

BAN YUE TAN on Taiwan, Peaceful Reunification	[25 Sep]	U 1
---	----------	-----

TAIWAN

President Chiang's National Day Message	[CHINA POST 10 Oct]	V 1
CHINA POST Editorial	[10 Oct]	V 2
Premier Yu Talks With Foreign Journalists		V 3
Defense Minister on Raising Preparedness		V 4
Foreign Minister Reports on Relations With U.S.		V 4
Government Not Responsible for Henry Liu Murder		V 5
	[CHINA POST 13 Oct]	
BOFT To Ask U.S. To Cancel Textile Quota Cuts		V 5

HONG KONG MEDIA ON CHINA

WEN WEI PO Comments on Sino-U.S. Relations	[18 Oct]	W 1
Hong Kong Papers on Abe Visit, Sino-Japanese Relations		W 2
HSIN WAN PAO	[13 Oct]	W 2
WEN WEI PO	[14 Oct]	W 3
SOUTH CHINA MORNING POST	[15 Oct]	W 4
WEN WEI PO Article on Sino-Soviet Border Contacts		W 6
Part II	[8 Oct]	W 6
Part III	[9 Oct]	W 7
PRC Paper Cited on Cadre Probationary System		W 9
	[MING PAO 13 Oct]	
MING PAO Cites Yang Deshi on PLA Reorganization	[14 Oct]	W 10
KMT 'Spy' Arrested, Undergoing Trial in Guangxi		W 11
	[WEN WEI PO 15 Oct]	

CHINA DAILY COMMENTATOR ON PEACE, DISARMAMENT

HK180333 Beijing CHINA DAILY in English 18 Oct 85 p 4

[Commentator's article: "Peace and Disarmament"]

[Text] The current session of the United Nations General Assembly has concluded its general debate after hearing speeches by representatives from more than 100 member states.

Almost every speaker expressed grave concern about world peace and focused attention on the disarmament issue. They stressed that the two superpowers in particular are duty-bound to work for the prevention of war and defence of peace. They urged both to conduct arms control talks in earnest, refrain from spreading the arms race to outer space and work to end the nuclear threat hanging over the world. They voiced the strong desire of ordinary people all over the globe that no one, especially those at the helms of state affairs, should ignore.

Like other developing countries in the Third World, China is deeply concerned over world peace. It has worked consistently to relax world tension and for just and fair solutions to regional issues that threaten world peace. China's stand on the important question of disarmament has been positive, practical and reasonable.

China holds that the two nuclear powers, which possess 95 percent of the world's nuclear weapons, should take the lead in sharply reducing their nuclear arsenals. China has further presented a four-point proposal to pave the way towards final, total disarmament. They are:

-- Pending the conclusion of an international convention to ban nuclear weapons by all nuclear states, the United States and the Soviet Union should undertake not to be the first to use nuclear weapons under any circumstances, nor threaten any non-nuclear states with such weapons.

-- The two superpowers must immediately halt the arms race in any form in outer space, and reach an international agreement to ban and destroy all outer space weaponry.

-- The North Atlantic Treaty Organization and the Warsaw Pact Organization should both cut their conventional arsenals.

-- And chemical weapons should be completely prohibited.

China keeps a limited number of nuclear weapons for the sole purpose of self-defence and to counter nuclear blackmail. From the day it began to acquire a nuclear force, China has declared time and again that it would never be the first to use nuclear weapons. China is now in the process of reducing its armed forces by 1 million, a not insignificant figure. It has thus demonstrated a sincere desire to work for peace and disarmament through deeds rather than rhetoric.

The two superpowers have been conducting arms control talks in Geneva on and off for quite some time. But so far not much of substance has come from these talks. On the contrary, their nuclear arsenals keep growing.

Soviet leader Mikhail Gorbachev, in an effort to halt what he called the arms race's "infernal train," has proposed a new arms reduction package. But it did not receive a warm response from the West. Nor has it been bluntly rejected as on previous occasions.

However, the United States and the Soviet Union are scheduled to hold a summit in November. It is hoped that, realizing their responsibility to the world, the leaders of the two superpowers will conduct talks seriously and in a spirit of conciliation so as to achieve constructive results that would lead to relaxation of world tensions.

People everywhere long for peace and abhor war. But grim experience has taught them not to pin their hopes for peace and disarmament solely on the good intentions of the superpowers. Only through concerted action by the people will chances increase for disarmament and the maintenance of peace. Though the danger of war still looms over the world, the ranks of the forces working for peace are expanding too. The people must press on in unity with their struggle to ensure world peace.

PRC URGES HALT TO ARMS RACE IN OUTER SPACE

OW180809 Beijing XINHUA in English 0739 GMT 18 Oct 85

[Text] Vienna, October 17 (XINHUA) -- China today called on all nuclear states, especially the two superpowers who possess more than 95 percent of the nuclear weapons in the world, to "undertake that under no circumstances will they be the first to use nuclear weapons" and to "commit themselves unconditionally not to use or threaten to use nuclear weapons against non-nuclear states and nuclear-free zones." The call was made in a speech by Chinese representatives Zhu Liang at the Socialist International Conference on Disarmament being held in Vienna.

Zhu said, "China supports disarmament and seeks disarmament with concrete actions. At the same time, China wishes to make joint efforts with the people of the whole world to halt the arms race and strive for disarmament. China pursues an independent peaceful foreign policy. We will not align ourselves with any big power, nor will we establish strategic relations with them."

On the rivalry between the two superpowers for military superiority, Zhu pointed out that the present trend towards large-scale qualitative escalation of the arms race in outer space, "if allowed to go unchecked, will definitely increase the danger of war." Therefore, he said, "One of the most urgent tasks at present is to call on the two superpowers to halt immediately the arms race in outer space and to demand that they stop the testing, production and deployment of outer space weapons." He pointed out that "the fundamental way to eliminate the danger of a nuclear war is the total ban and thorough destruction of nuclear weapons."

Zhu also called on all states who are capable of making and producing chemical weapons to "commit themselves never to use such extremely inhuman weaponry and conclude at the earliest possible date an international convention on the comprehensive ban and thorough destruction of chemical weapons."

While reducing nuclear armament, Zhu said, conventional armaments should be drastically cut back, especially in Europe, where nuclear and conventional weapons are densely concentrated. "The two military blocs in confrontation with each other should reach an early agreement on substantial reduction of conventional arms in order to make it impossible for conventional wars to escalate into a nuclear war," he noted.

Zhu pointed out, "The two superpowers have special responsibilities to bear for the realization of disarmament on the above-mentioned aspects."

He said, China hopes that the pending U.S. - Soviet summit can result in an agreement on disarmament which is "feasible and is unarmful to the interests of other countries."

PRC DELEGATE ADDRESSES UN ON SELF-DETERMINATION

OW180746 Beijing XINHUA in English 0720 GMT 18 Oct 85

["Chinese U.N. Representative Discusses Self-Determination" -- XINHUA Headline]

[Text] United Nations, October 17, (XINHUA) -- Ambassador Huang Jiahua, one of China's deputy permanent representatives to the United Nations, said here today there are still serious violations of people's rights to equality and self-determination in many parts of the world. Huang addressed the Third Committee of the General Assembly during its deliberations on people's right to self-determination.

He devoted most of his remarks to the situations in Namibia, Afghanistan, Kampuchea and Palestine. These peoples, he said, are still suffering from oppression, enslavement and humiliation.

For a long time, he pointed out, the U.N. Security Council and the General Assembly have made untiring efforts by adopting a series of resolutions to solve the Middle East and Palestinian question. "However, the Israeli authorities, relying on the backing of a big power, have turned a deaf ear to all these resolutions."

"We strongly demand that Israel withdraw from the Arab territories it has occupied since 1967," he said. "We maintain that all countries in the Middle East should enjoy the right to independent existence, and we support the Arab countries and the Palestine Liberation Organization in their efforts to strengthen their unity and, through political negotiations and other means, seek a comprehensive and equitable solution to the Middle East question and to bring about peace to the Middle East."

Huang said he hopes the current session of the General Assembly, in considering the question of self-determination will do its part for this just cause.

On the question of Namibia, Huang said China strongly opposes all kinds of illegal acts by the South African authorities to obstruct the national self-determination and independence of the people of Namibia. "It is an inalienable, legitimate right of the people of Namibia to exercise their right to self-determination and to establish an independent state of their own." The United Nations, he said, should urge South African authorities to dismantle the so-called transitional government they have installed in Namibia, to put an end to their illegal occupation of Namibia and to strictly abide by the Security Council resolution 435 to bring independence to Namibia at an early date.

In Afghanistan, he said, it is essentially a question of armed aggression, intervention and occupation of a non-aligned state by a superpower. "This is not only a gross violation of the U.N. Charter and international law, but also offers yet another glaring example of flagrantly trampling underfoot the right to self-determination of peoples." He said it is incumbent on the Soviet Union to withdraw its armed forces from Afghanistan. All the parties concerned should strictly abide by the U.N. Charter and the relevant resolutions. "This is the key to the search for a just solution to the Afghan issue," he noted.

Concerning the situation in Kampuchea, Huang said the invasion of that country by 200,000 Vietnamese troops six years ago had turned a peaceful and independent state into a mad slaughter-house and plunged the peaceful inhabitants of that country into an abyss of misery. "On that war-ravaged land of ruins, the very survival of the Kampuchean people is being denied, let alone the right to national self-determination," he said. He said the just struggle waged by the coalition government, headed by Prince Norodom Sihanouk, is receiving growing support from the international community. "It is our sincere hope that Kampuchea will become an independent, peaceful, neutral and non-aligned state."

He said China appreciates the just position of the ASEAN countries on this question and their reasonable proposals. If the Vietnamese authorities are sincere about such a solution, he pointed out, they should respond positively to these efforts.

U.S., USSR OPEN TALKS ON AIR SERVICE RESUMPTION

OW160308 Beijing XINHUA in English 0257 GMT 16 Oct 85

[Text] Washington, Oct 15 (XINHUA) -- The United States and the Soviet Union began talks here today on the resumption of direct commercial flights between the two countries, the U.S. State Department announced today. State Department spokesman Charles Redman said that the talks on a new civil aviation agreement were being held at the State Department by "working level" groups of the two countries.

It was reported the U.S. officials involved in the negotiations said the talks were intended to lead to reinstatement of flights by the Soviet airline Aeroflot and the U.S. carrier Pan Am between the two countries. The aim is to reach an agreement before U.S. President Ronald Reagan and Soviet Leader Mikhail Gorbachev hold a summit meeting in Geneva on November 19-20, they said.

The Reagan administration suspended Soviet Aeroflot landing rights in the United States in December 1982 as partial retaliation over the imposition of martial law in Poland.

WAN LI MEETS INTERNATIONAL MARATHON PARTICIPANTS

OW111440 Beijing XINHUA in English 1430 GMT 11 Oct 85

[Text] Beijing, October 11 (XINHUA) -- Chinese Vice-Premier Wan Li met the runners and officials participating in the oncoming 1985 Beijing International Marathon here this afternoon. Wan Li said at the meeting that the Beijing International Marathon was to further promote marathon in the world and China and enhance friendship among the athletes and other people of the various countries.

Present at the meeting were Li Menghua, minister of the Chinese Physical Culture and Sports Commission, and Keizo Saji, chairman of Japanese Suntory Limited, sponsor of the coming race.

BUSH ARRIVES IN GUANGZHOU FROM GUILIN 17 OCT

OW171624 Beijing XINHUA in English 1616 GMT 17 Oct 85

[Text] Guangzhou, October 17 (XINHUA) -- U.S. Vice-President George Bush and Mrs. Bush were guests at a banquet here tonight, given by Ye Xuanping, governor of China's Guangdong Province. They arrived here this afternoon from Guilin, a picturesque city 450 km west of Guangzhou, where they had enjoyed a boat excursion along the Lijiang River earlier today.

Prior to the dinner, Bush attended a reception given by executives of Orland Helicopter Airways Inc. of the U.S. An agreement has been reached between Orland Airways, the Guangzhou No. 3 tool factory and Baties Associates, Ltd., Hong Kong, on setting up a joint venture -- Guangzhou Orland Helicopter Ltd. The joint venture, scheduled to start at the end of this month, will be the first one of its kind in China for manufacturing helicopters. The joint venture's first batch of investment stands at 2.4 million U.S. dollars. It plans to produce 10 helicopters in 1986.

Economic cooperation between Guangdong Province and the United States has grown steadily in recent years. At present, one quarter of the 81 Sino-U.S. joint ventures, and 37 representative offices of U.S. firms are operating in the province.

REPORTAGE ON VISIT OF U.S.-CHINA RELATIONS GROUP

Wu Xueqian Meets Group

OW151608 Beijing XINHUA in English 1437 GMT 15 Oct 85

[Text] Beijing, October 15 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian exchanged views on a wide range of issues here today with a group of U.S. noted personages and a delegation from the National Council on U.S.-China relations.

The 16 U.S. noted personages arrived here yesterday after attending the second dialogue between noted Chinese and Americans in Tianjin from October 12 to 14.

The five-member delegation from the National Council on U.S.-China relations flew in here this morning.

Hu Qili Receives Visitors

OW161610 Beijing XINHUA in English 1448 GMT 16 Oct 85

[Text:] Beijing, October 16 (XINHUA) -- Hu Qili, member of the Political Bureau of the Chinese Communist Party Central Committee, met with a group of noted U.S. personages and a delegation from the National Council on U.S.-China relations here today.

Talks With Li Xiannian

OW171142 Beijing XINHUA in English 1101 GMT 17 Oct 85

[Text] Beijing, October 17 (XINHUA) -- Chinese President Li Xiannian met with a group of noted U.S. personages and a delegation from the National Council on U.S.-China relations here this afternoon. Li exchanged views with the visitors on Sino-U.S. relations and international issues.

CPPCC Vice Chairmen Meet Group

OW171513 Beijing XINHUA in English 1456 GMT 17 Oct 85

[Text] Beijing, October 17 (XINHUA) -- Yang Jingren, Cheng Zihua and Zhou Peiyuan, vice-chairmen of the National Committee of the Chinese People's Political Consultative Conference, met here this evening with a group of noted U.S. personages and a delegation from the National Council on U.S.-China relations. Wang Shoudao, member of the Standing Committee of the Chinese Communist Party Central Advisory Commission, was also present.

LI PENG MEETS U.S. CHAMBER OF COMMERCE GROUP

OW171144 Beijing XINHUA in English 1117 GMT 17 Oct 85

[Text] Beijing, October 17 (XINHUA) -- Chinese Vice-Premier Li Peng met with a visiting delegation from the U.S. Chamber of Commerce led by its Chairman Frank Morsani here this afternoon.

BEIJING RADIO VIEWS U.S. S. AFRICAN POLICY

OW161335 Beijing Domestic Service in Mandarin 1150 GMT 15 Oct 85

["International Current Events" talk]

[Excerpts] The South African authorities, because of their stubborn racist policy, have been condemned by a majority of nations. Many countries have imposed sanctions against South Africa. However, the United States alone has held a different view from the majority of nations. Only after increasing denunciations from world public opinion did President Reagan reluctantly announce not long ago that the United States would impose limited economic sanctions against South Africa. But at the same time, he also announced that the United States would not abandon its policy of "constructive engagement" with South Africa.

Based on this policy, the Reagan administration had refused to apply economic sanctions against South Africa for a number of years. Outwardly, it insisted that any outside pressure to isolate South Africa would be harmful to the reform of South Africa's apartheid system. But to put it bluntly, the U.S. Government's policy toward South Africa is aimed at maintaining South Africa's white colonial rule. This is because the United States has important strategic and economic interests in South Africa.

First, in contending with the Soviet Union in southern Africa, the United States has always hoped to establish a South Atlantic military alliance in order to protect the shipping lanes along South Africa's coast and around the Cape of Good Hope. Each year, over 12,000 ships transporting some 60 percent of the West's petroleum needs sail along this route, which links the Indian and Atlantic Oceans. Should anything happen in Europe, this shipping route would become the West's lifeline.

Second, the United States can use the South African authorities as a link with the front-line states in southern Africa to push out Soviet influence and expand its own influence in these countries. This is another of the United States' important strategic reasons for doing its utmost to shield the South African authorities. Last year, urged by the United States, South Africa signed an agreement on troop withdrawal and a nonaggression treaty respectively with Angola and Mozambique that helped improve its relations with these two countries for some time and ease tensions in southern Africa, a situation favored by the United States.

Third, the United States has tremendous economic interests in South Africa. It has a total investment of over U.S. \$9 billion in South Africa, which accounts for 20 percent of all foreign investment in that country. Of the more than 1,000 foreign companies in South Africa, fully one-fourth are U.S. companies. South Africa is also the largest supplier of nonfuel mineral products to the United States. With the exception of gold, 42 percent of metals consumed in the United States come from South Africa, including cadmium and over a dozen other strategic raw materials. These mineral products are of vital importance to the United States' national defense and economy.

As soon as the United States' policy of "constructive engagement" toward South Africa came out, it was met with the African countries' strong opposition. Since the beginning of this year, this policy has suffered a series of setbacks. Inside South Africa, this policy has failed to bring about any changes in the apartheid policy as hoped for by the United States. On the contrary, it has played a role in encouraging the South African authorities to more brazenly push their racist policy.

In early August of this year, McFarlane, U.S. national security adviser, and Crocker, advocate of the "constructive engagement" policy, met with South Africa's Foreign Minister Roelof Botha in Vienna and urged the South African authorities to call off the state of emergency and to propose a new reform plan. But nothing came out of this meeting.

The limited sanctions imposed on South Africa by the Reagan administration under pressure also shows that the United States' "constructive engagement" policy toward South Africa has failed to achieve its desired results. However, out of consideration for its own strategic and economic interests in South Africa, the United States will not easily give up its "constructive engagement" policy toward South Africa. Yet, if the United States does not change this policy, it will never free itself from its passive position toward apartheid.

PRC, U.S. LAUNCH TELEPHONE JOINT VENTURE

OW161630 Beijing XINHUA in English 1454 GMT 16 Oct 85

[Text] Tianjin, October 16 (XINHUA) -- The first Sino-foreign joint venture to produce program controlled digital telephone exchanges was inaugurated here today.

The Sino-U.S. venture will build 150,000 units and 20,000 square meters of multi-layer printed electronic circuit boards annually.

Established by three local firms and Tai Company of the United States, it will involve six million U.S. dollars in investment, which will be shared on a 50-50 basis by the two partners. The term of the contract is 30 years and the American partner will provide technology meeting advanced international standards of the 1980's.

In the meantime, 25 Chinese technicians are about to leave for the U.S. to cooperate with their American colleagues in developing new telephone equipment.

CHEN MUHUA MEETS U.S. INDUSTRIALIST 16 OCT

OW161253 Beijing XINHUA in English 1059 GMT 16 Oct 85

[Text] Beijing, October 16 (XINHUA) -- Chinese State Councillor Chen Muhua met Thomas Barry, president of Rockefeller and Co., a U.S. firm, here today. They exchanged views on how to boost joint ventures with Chinese and foreign investment.

WU XUEQIAN MEETS SOVIET VICE MINISTER, ENVOY

OW171454 Beijing XINHUA in English 1444 GMT 17 Oct 85

[Text] Beijing, October 17 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian met Soviet Vice-Foreign Minister L.F. Ilichev, who is here attending the seventh round of consultations between the special envoys of the Governments of China and the Soviet Union.

Present at the meeting were Chinese special envoy and Vice-Foreign Minister Qian Qichen, and Igor Alekseyevich Rogachev, advisor to the Soviet special envoy and director of the First Far East Department of the Soviet Foreign Ministry.

FURTHER REPORTAGE ON VISIT OF TOLKUNOV-LED GROUP

Visits Hangzhou, Shanghai

OW160635 Beijing in Russian to the USSR 1800 GMT 15 Oct 85

[Text] The USSR Supreme Soviet delegation headed by Tolkunov, chairman of the Council of the Union of the USSR Supreme Soviet, accompanied by Mei Xing, member of the Chinese NPC Standing Committee, arrived in Hangzhou from Guangzhou by special plane in the afternoon of 14 October for a visit.

On arrival in Hangzhou the delegation was warmly met by responsible officials of the Zhejiang Provincial People's Congress Standing Committee. In the evening Li Fengping, chairman of the Zhejiang Provincial People's Congress Standing Committee, hosted a banquet in honor of the Soviet delegation. Speaking at the banquet, he wished the steady development of the friendship between the Chinese and Soviet peoples.

In the afternoon of 15 October the USSR Supreme Soviet delegation arrived in Shanghai from Hangzhou. At the airport the esteemed guests were met by Hu Lijiao, chairman of the Shanghai Municipal People's Congress Standing Committee, and other officials. A female pioneer presented a bouquet of flowers to Lev Tolkunov. In the evening the Shanghai Municipal People's Congress Standing Committee hosted a banquet at the (Longtan) Hotel. In his banquet speech Chairman Hu Lijiao greeted the esteemed Soviet guests on their arrival in Shanghai and expressed confidence that the delegation's visit favors the further development of relations of cooperation between China and the Soviet Union.

He said: In the 36 years since the country's liberation a fairly complete industrial system has been created in Shanghai, which has achieved a certain technical level. Currently the city is confidently carrying out a reform of the economic system and meeting the tasks of construction of the new 5-year plan, whose fulfillment will begin shortly.

Khodyrev, member of the Legislative Proposals Commission of the Council of the Union and Chairman of the Leningrad Gorispolkom, made a speech on behalf of all members of the delegation. He noted that during the past 5 days the delegation was accorded cordial hospitality wherever it went. He expressed the hope that Leningrad and Shanghai -- two cities with glorious revolutionary traditions -- would strengthen their ties. He wished the people of Shanghai new successes in socialist construction.

USSR Embassy Hosts Banquet

OW171647 Beijing XINHUA in English 1622 GMT 17 Oct 85

[Text] Beijing, October 17 (XINHUA) -- Soviet Ambassador to China I.S. Shcherbakov gave a banquet at the Soviet Embassy here this evening marking the visit to China by a delegation from the Supreme Soviet of the Soviet Union.

Lev Nikolayevich Tolkunov, head of the delegation and chairman of the Soviet of the Union of the Supreme Soviet, said in his toast that during the visit the delegation met with President Li Xiannian and Chairman Peng Zhen, and other Chinese leaders. They exchanged views with their Chinese colleagues on legislative work, international issues and bilateral relations.

He described the visit as successful and fruitful. He said that exchanges between legislative bodies of the two countries help the understanding between their peoples and the establishment of good-neighborly relations between the two countries.

Peng Chong, vice-chairman of China's National People's Congress Standing Committee, who attended the banquet, said that the two countries' legislative work shares quite a few common points and they can learn quite a lot from each other's experience.

In China, Peng said, efforts are being made to improve the People's Congress system from the central level to localities. This is of great importance in the improvement of the socialist legal system. "You are engaging in extending Soviet influence at all levels and displaying Soviet representatives' roles", he added.

Peng expressed the hope that the parliaments of the two countries would increase contacts and enhance mutual understanding after the mutual visits this year, so as to facilitate the friendship between the two peoples.

Also present on the occasion were Zhang Chengxian and Mei Xing, both members of the NPC Standing Committee.

The Soviet delegation is scheduled to leave Beijing for home tomorrow.

PRC-JAPAN AMITY MEETING CONCLUDES IN DALIAN

Wang Zhaoguo Addresses Meeting

OW171554 Beijing XINHUA in English 1522 GMT 17 Oct 85

[Text] Dalian, October 17 (XINHUA) -- The second session of the 21st Century Committee for China-Japan Friendship ended here today.

Tadao Ishikawa and Wang Zhaoguo, respectively Japan's and China's chief representatives on the committee made summary speeches at the closing session. They pointed out that the committee members of both sides had sincerely and frankly exchanged views in a friendly atmosphere and thus the meeting had become a complete success.

Referring to bilateral relations, Tadao Ishikawa noted that the committee members had conferred on how to make the two countries a model of long-term coexistence between different social systems and discern and remove as early as possible the unstable factors in their relations. He said the two sides held that the Sino-Japanese joint statement, Sino-Japanese peace and friendship treaty and the four guiding principles for Sino-Japanese relations will be long-term guidelines for the development of their relations, which, he added, were the basic principles to abide by. "We will never repeat our unhappy past and Japan will never follow again the old track of militarism," he said.

Wang Zhaoguo said in his speech that during the two-day session the two sides had fully exchanged views of the process of the development of Sino-Japanese ties. Wang noted that both sides agreed on the following points:

First, the two sides should strictly abide by the Sino-Japanese joint statement and the Sino-Japanese peace and friendship treaty, and the four basic principles of peace and friendship, equality and mutual benefit, mutual trust and long-term stability, so as to settle various kinds of problems between them and further their relations.

Second, both sides should do more practical work favorable to their friendship so as to strengthen their mutual understanding and trust and safeguard the healthy and smooth development of their relations.

Third, both sides should respect history and draw on the historical experiences and lessons in a correct way. Both sides should treasure the already-achieved fruit of friendly cooperation between them and educate their own people, especially young peoples, to carry on the traditional friendship and guarantee the development of Sino-Japanese friendship from generation to generation and avoid war.

Fourth, the difference between the two countries in social system and national culture should not affect the peaceful co-existence, friendship and cooperation between them. In general, their common points outweigh their differences.

Fifth, efforts should be made to discover, instead of avoiding, misgivings and problems between them as early as possible and clear them through friendly dialogue so as to facilitate their friendship.

In their speeches, both Tadao Ishikawa and Wang Zhaoguo talked about the importance to enhance economic, scientific and technological cooperation between the two countries and their cultural exchanges and contact between their young peoples.

A plenary meeting held this afternoon adopted a proposal to send more students and researchers and other personnel to study in each other's country. To this effect, the committees of both sides will subject the proposal to their respective governments.

The participants visited the Dalian Economic and Technological Development Zone and the Dalian Ocean Fishery Corporation this morning. They returned to Beijing this evening.

Hu Yaobang on PRC-Japan Relations

OW181126 Beijing XINHUA in English 1106 Oct 18 Oct 85

["Hu Yaobang Advances Four Points With Regard to Sino-Japanese Relations" -- XINHUA headline]

[Text] Beijing, October 18 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang today advanced four points for developing Sino-Japan relations of friendship. These four points represent the position of the Chinese Communist Party and Government, he explained.

At a meeting here with Japanese and Chinese members of the 21st Century Committee for China-Japan Friendship, Hu said it is correct for China and Japan to make the promotion of China-Japan friendship their basic policy. Any idea or [word indistinct] neglecting or underestimating the importance of long-term China-Japan friendship is short-sighted and wrong, he added.

The four points Hu advanced are:

First, consolidating and developing Sino-Japanese relations of friendship is a matter of importance that has a bearing on the long-term and fundamental interests of the two peoples as well as on the safeguarding of peace and stability in Asia and the world as a whole. The two governments and peoples should be more conscious of treasuring China-Japan friendship.

Second, to develop China-Japan friendship, the two governments and two peoples should adopt a correct approach to their serious confrontation in the past. While past confrontation should not be allowed to affect today's cooperation, there should be no sympathy for the chief culprits who brought about this confrontation between China and Japan, still less conniving at a handful of people trying to revive militarism. Otherwise, that will inevitably cast shadows over China-Japan friendship or even lead to grave consequences.

Third, the solemn task of long-term China-Japan friendship requires that the two governments and peoples make unremitting efforts. The two countries, from top to bottom, should take a serious attitude toward and strictly abide by the Sino-Japanese joint statement and the Sino-Japanese treaty of peace and friendship signed by the two governments, and stick to the four principles agreed upon between the two sides. Namely, peace and friendship, equality and mutual benefit, mutual trust, and long-term stability. When difficulties arise in the bilateral relations, either side should take the overall interest into account, be prudent in action, give earnest consideration to the friendly suggestion and reasonable demand of the other side and strive to avoid any action which may hurt the feelings of the people of the other side. Provided that both sides take a longer view and give deeper thought to the matter on a higher plane, the prospects for long-term China-Japan friendship will be bright.

I. 18 Oct 85

D 3

PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

Fourth, the ultimate goal of China-Japan friendship is to extend this friendship from generation to generation. To this end, both sides should first work hard to develop the positive factors that are conducive to the attainment of this goal, appropriately handle the negative factors that are unfavorable to this, and strive for continued friendship between China and Japan in the 21st century. That will lay a firm foundation for friendship in the generations to come.

Wang Zhaoguo, China's chief representative on the 21st Century Committee for China-Japan Friendship, briefed Hu on the just-ended second session of the committee. Hu expressed his satisfaction over the success of the meeting.

Taodao Ishikawa, Japan's chief representative on the committee, said: "On the whole, we shall act in accordance with the Japan-China joint statement and the Japan-China peace and friendship treaty and the four guiding principles regarding Japan-China relations. We'll do our best to strengthen the friendly relations between our two countries."

After the meeting, Hu Yaobang gave a luncheon for the committee members. Japanese Ambassador to China Yosuke Nakae was present. Ishikawa and some other Japanese members on the committee are scheduled to leave for home tomorrow.

JAPAN 'CONCERNED' ABOUT U.S. NUCLEAR SUB VISIT

OW172046 Beijing XINHUA in English 1955 GMT 17 Oct 85

[Text] Tokyo, October 17 (XINHUA) -- U.S. nuclear-powered submarine Houston's calling at Japan's Yokosuka Naval Base is causing great concern among the local people. Local authorities in Kanagawa Prefecture and Yokosuka have, along with a group of local citizens, asked the Japanese Foreign Ministry to verify if Houston is not carrying Tomahawk nuclear carrier missiles. They said the U.S. will be violating Japan's three non-nuclear principles of not producing, possessing or allowing nuclear arms to be brought into Japan if the submarine is nuclear-armed.

According to the latest edition of Jane's Fighting Ships for 1985-1986, Houston, a Los Angeles-class attack submarine that arrived at the base today, is capable of carrying Tomahawks missiles. Foreign Ministry officials here have refused to comment on the call. They said, however, under a current agreement the U.S. government must hold prior consultations with the Japanese government before it brings nuclear weapons into Japan. No consultation in advance can be interpreted that Houston "is not armed with nuclear missiles", they added. Jane's Fighting Ships said that the number of Los Angeles-class submarines, deployed in the Pacific, has been increased from six to thirteen.

FORMER VOLUNTEERS GROUPS DEPART FOR DPRK

OW171242 Beijing XINHUA in English 1140 GMT 17 Oct 85

[Text] Beijing, October 17 (XINHUA) -- Two delegations of the former Chinese People's Volunteers (CPV) left here today for the Democratic People's Republic of Korea to attend the commemorative activities marking the 35th anniversary of the participation of the CPV in the Korean war.

One delegation is led by Liu Zhenhua, a former CPV division commander, who is now political commissar of the Shenyang Military Area Command of the Chinese People's Liberation Army. The other delegation composed of CPV heroes is led by Han Decai, a second-class CPV combat hero, who is now deputy commander of the Air Force of the PLA Nanjing Military Area Command.

ITALIAN COMMUNIST PARTY LEADER CONCLUDES VISIT TO PRC

Arrives in Shanghai From Nanjing

OW171604 Beijing XINHUA in English 1554 GMT 17 Oct 85

[Text] Shanghai, October 17 (XINHUA) -- Alessandro Natta, general-secretary of the Communist Party of Italy, and his group arrived here from Nanjing at noon today in the company of Hu Yaobang, general secretary of the Chinese Communist Party (CPC) Central Committee.

[Beijing XINHUA Domestic Service in Chinese at 1927 GMT on 17 October carries a report on the arrival in Shanghai of Alessandro Natta which adds... After alighting from the plane, Hu Yaobang warmly embraced Natta and cordially said goodbye to him at the Hongqiao Airport. Natta thanked Hu Yaobang for the lavish hospitality accorded him and his party in China. He hoped that he would be able to warmly welcome Hu Yaobang in Italy before long. Hu Yaobang said: "I wish you a good trip, and I hope that you will come again. I want to see you again in Italy"]

This afternoon, Natta visited a dock for handling raw materials, and an iron works and a slabbing and blooming mill of the Baoshan Steel Corporation. In the visitors' book he wrote that he wished the complex still greater success in the future.

This evening, the visitors were honored at a banquet given by the Shanghai Municipal Committee of the CPC and presided over by Rui Xingwen, secretary of the host committee. Present was Qian Liren, head of the Liaison Department of the CPC Central Committee.

Seen Off by Hu Qili, Qian Liren

OW180318 Beijing XINHUA in English 0308 GMT 18 Oct 85

[Text] Beijing, October 18 (XINHUA) -- Alessandro Natta, general-secretary of the Italian Communist Party, left here for home by air this morning at the end of a friendly visit to China.

Hu Qili, member of the Political Bureau and of the Secretariat of the Chinese Communist Party Central Committee, went to the Diaoyutai State Guesthouse to see Natta off.

Hu congratulated Natta on his successful visit, adding that this visit had made very important contributions to the promotion of friendship between the two parties and the two countries.

Natta said his short visit had yielded very positive results. It had not only strengthened the ties of the two parties and the two countries, but was also beneficial to promoting relations among communist parties and progressive forces the world over. He wished China and the Chinese Communist Party greater success.

Hu Qili said he was convinced that the friendly relations and cooperation between the two parties would grow further in the interests of the two peoples, the cause of safeguarding world peace and workers movement in various countries.

Natta and his party were seen off at the airport by Qian Liren, head of the International Liaison Department of the C.P.C. Central Committee.

Natta and his party returned here from Shanghai by air yesterday evening.

Visit Considered 'Successful'

OW181316 Beijing XINHUA in English 1249 GMT 18 Oct 85

["Italian Communist Leader's China Trip Successful" -- XINHUA Headline]

[Text] Beijing, October 18 (XINHUA) -- Italian Communist Party Secretary-General Alessandro Natta paid a goodwill visit to China from October 13 to 18 at the invitation of his Chinese counterpart Hu Yaobang. The visit was crowned with success.

Before leaving for home, Natta invited Hu to visit Italy in the near future. He accepted the invitation with pleasure.

During the visit, the two leaders held two rounds of talks in an atmosphere of sincerity, friendship, mutual trust and comradeship. They had a full exchange of views on the relations between the two parties and their domestic and foreign policies as well as major international issues.

Deng Xiaoping, chairman of the Chinese Communist Party Central Advisory Commission, and Hu Qili, member of the Political Bureau of the CPC Central Committee, had cordial conversations with the Italian party leader. The leaders of the two parties expressed satisfaction with the development of their relations. They shared identical views on party-to-party relations and were willing to advance their relations on the basis of independence, complete equality, mutual respect and non-interference in each other's internal affairs. They held that furthering the two parties' traditional friendship is in keeping with the interests of the two parties and all forces in the world fighting for peace, justice and socialism. They agreed that both parties are brave in exploring ways ahead and this valuable spirit will contribute to the development of the international communist movement.

On the international situation, the two sides agreed that they would work together for world peace and stability. They held that to take concrete measures for disarmament, especially to oppose nuclear arms race, is of great significance to guaranteeing the right of the people of all countries to independence and self-determination and to supporting the Third World countries. Countries with different social systems should develop ties on the basis of the five principles of peaceful coexistence, they agreed.

Natta, also toured Nanjing and Shanghai in the company of Hu Yaobang and Qian Liren, head of the International Liaison Department of the CPC Central Committee.

Comparison of Talks With Hu Yaobang

Beijing XINHUA Domestic Service in Chinese at 1736 GMT on 17 October carries a report on the talks held between Hu Yaobang and Italian Communist Party leader Alessandro Natta. The Chinese report has been compared with the Beijing XINHUA English version published in the 17 October China DAILY REPORT, page G 2, revealing the following variations:

Last paragraph reads...It is reported that the talks proceeded in an atmosphere of sincerity, friendship, mutual trust, and comradeship. Present at the talks were Qian Liren and Han Peixin, members of the CPC Central Committee; and Antonio Rubbi and Renato Sandri, members of the Italian Communist Party Central Committee. (supplying additional paragraph)

REPORTAGE ON VISIT OF LIBYAN PARLIAMENTARIANS

Meet Peng Zhen

OW171737 Beijing XINHUA in English 1556 GMT 17 Oct 85

[Text] Beijing, October 17 (XINHUA) -- Peng Zhen, chairman of the Chinese National People's Congress (NPC) Standing Committee, met a delegation from the General People's Congress of the Socialist People's Libyan Arab Jamahiriya here tonight.

Peng told the delegation, which is led by Muhammad Mahmud al-Hijazi, secretary for affairs of the People's Committee of the General People's Congress, that China and Libya are countries with friendship ties and have no conflict of interests. He said there is a very good momentum for friendly cooperation between the two countries. "We hope it can develop in this direction," he added.

He also said that both China and Libya belong to the Third World. He said the Third World countries, which basically share common interests, are required to strengthen and expand their friendship and cooperation, because they are all faced with the fundamental tasks of developing their economies, improving their people's livelihood and safeguarding world peace.

Al-Hijazi said Libya highly appreciates China's role in the Third World and the United Nations organs. He said friendship between the peoples of Libya and other Arab countries, and China dates back to ancient times and has been strengthened steadily in their common struggle against colonialism. He also said the delegation's current visit to China aims to further the existing friendship and cooperation between Libya and China.

Among those present were Vice-Chairman Geng Biao, members He Ying and Wu Heng, and Deputy Secretary-General Peng Qingyuan, of the NPC Standing Committee, as well as Muhammad Ahmad Sheib, interim charge d'affaires of the Libyan People's Bureau in China.

Geng Biao Addresses Banquet

OW171944 Beijing XINHUA in English 1842 GMT 17 Oct 85

[Text] Beijing, October 17 (XINHUA) -- A delegation from the Libyan General People's Congress was honored at a banquet given by the Standing Committee of the National People's Congress here this evening at the Great Hall of the People.

The delegation, led by Muhammad Mahmud al-Hijazi, secretary for affairs of the People's Committee of the Congress arrived in Beijing this afternoon for a friendly visit to China.

The banquet was presided over by Vice-Chairman of the NPC Standing Committee Geng Biao, who was deputizing for Chairman of the NPC Standing Committee Peng Zhen.

Geng expressed his appreciation of the achievements scored by the Libyan people in building their country, and its independent and non-allied foreign policy, as well as their just struggle against imperialism, colonialism and racialism, and their support for the Palestinian people in their fight against Israeli aggression. He said, peace and development is the common desire of the Chinese people and the people all over the world. Together with all peace-loving countries and people, especially the Third World countries, he said, China will, as always, work hard for lasting world peace and development.

The Chinese Government and people, Geng said, cherish very much their friendly relations with the Libyan Government and people. "We are willing to further explore new ways and areas of cooperation with Libya on the basis of equality, mutual benefit and common development for both countries." Geng expressed the belief that with efforts by both sides, Sino-Libyan friendship and cooperation would surely reach a new level.

Al-Hijazi said that as Libya and China are both Third World countries, they should shoulder the responsibility of defending the interests of the Third World countries. The current visit represents an important step to develop and strengthen Libya-China relations, he stressed. He paid tribute to China's position of supporting the Arab countries in safeguarding their national interests and the Palestinian people's liberation cause. The friendship between Arab countries and China goes back to ancient times, he added.

Present were He Ying and Wu Heng, both member of the National People's Congress Standing Committee.

Talks With Geng Biao

OW180900 Beijing XINHUA in English 0846 GMT 18 Oct 85

[Text] Beijing, October 18 (XINHUA) — Geng Biao, vice-chairman of the Standing Committee of the National People's Congress (NPC), said here today that Sino-Libyan relations are established on the basis of mutual trust. He said that there exist friendship and mutual help and no outstanding problems between the two countries. Geng Biao made these remarks during his talks with the visiting delegation from the Libyan General People's Congress led by its Secretary for Affairs of the People's Committee Muhammad Mahmud al-Hijazi here this morning.

Since diplomatic ties were established between China and Libya in 1978, Geng noted, the bilateral relations have developed smoothly on the basis of equality, mutual benefit and peaceful coexistence and under the solicitude of the two countries' leaders.

Al-Hijazi said Libya is willing to further develop the solid and important relations between the two countries, because that is conducive to bilateral cooperation and world peace.

They also exchanged information about the domestic economic construction and discussed the present international situation. They agreed to increase the friendly ties and cooperation between the NPC and the General People's Congress.

This morning, the delegation also met with Zhou Peiyuan, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference.

CPC DELEGATION HEADS FOR ZAMBIA, SEYCHELLES

OW180426 Beijing XINHUA in English 0250 GMT 18 Oct 85

[Text] Beijing, October 18 (XINHUA) — A Chinese Communist Party (CPC) delegation left here today to pay a friendly visit to Zambia and Seychelles. The delegation is led by Jiang Guanghua, deputy head of the International Liaison Department of the CPC Central Committee and will visit the two countries at the invitation of the Zambian United National Independent Party and the Seychelles People's Progressive Front.

BO YIBO ON RECTIFICATION, BUILDING OF PARTY

OW160522 Beijing XINHUA Domestic Service in Chinese 0747 GMT 15 Oct 85

[Text] Beijing, 15 Oct (XINHUA) -- Issue No 20 of HONGQI, to be published tomorrow, will carry the speech of Bo Yibo, executive vice chairman of the Commission for Guiding Party Rectification of the CPC Central Committee, on party rectification and party building -- a speech he made last summer while inspecting the work of party rectification in Yantai, Shandong Province. Excerpts of his speech follow:

First, the Party Must Strengthen Its Own Building Under the New Historical Period

Our party, which is ordinarily known as the ruling party, plays the leading role in state and social affairs. We must clearly understand that this ruling party is significantly different from what it was during the revolutionary war period, when it had yet to win political power.

In the past, when Communist Party members were subjected to the reactionary regime's oppression, their participation in the revolution was extremely risky. In those days, when life was extremely hard, the overwhelming majority of party members voluntarily abided by party discipline and fought heroically. Today, many party members hold authority of all kinds, and their living conditions and positions have both changed. How to use the authority in their hands correctly has become a problem subjected to constant tests. In an environment of prolonged peace, it is easy for some people, who only want to enjoy the benefits of being members of a ruling party and not to serve the people or work selflessly or sacrifice for achieving the communist ideals, to worm their way into the party. Among the veteran party members, a small number of people have also come to think differently, and their party spirit today is not as strong as before. Under such circumstances, the phenomena of ignoring the just cause at the sight of benefits and of seeking personal gains by taking advantage of authority have appeared, and so has the phenomenon of "putting money above everything else." Abominable bureaucratic behavior has become rampant. Some party member-cadres have acted like overlords, and some party committees have also built a network of special relations with other party committees so that they can protect one another, bending the law if necessary. Such phenomena have seriously tarnished the party's prestige and image, seriously weakened the party's leadership and combatworthiness, and seriously affected party-people relations. Infuriated by such phenomena, the masses have strongly demanded that the party, the government, and the people's courts take resolute action to punish all the black sheep who have the appearance of party members but who are undermining the socialist cause.

Although the number of party members was small in the past, their quality was good, the ranks were in good order, and they were very combatworthy. Today the number of our party members exceeds 42 million. Although the main stream within the ranks of party members is generally good, we must realize that many party members are not competent enough to meet the requirements presented by the historical tasks of the new period. Judged by the criteria for party members, a considerable number of party members are unqualified or basically unqualified. At present, in particular, negative phenomena of interfering with reforms and the four modernizations have appeared within the party. This cannot but catch our serious attention. Because of such phenomena, we must, during and after the current party rectification, carry out a general and thoroughgoing education among the broad masses of party members on communist ideals, basic Marxist theory, basic party knowledge, and, above all, party spirit. This is an important matter that brooks no delay.

Of course, in making the comparisons above, I do not mean that our party today is not as good as it was before. I just want to say that, if our party fails to strengthen and improve itself while exercising its rule, our reforms and policy of opening to the outside world will not be successful, and the party's historical tasks during the new period will not be accomplished. In this sense, it is not at all easy to become good party members or good cadres of a ruling party because the requirements set for them are so much higher in various fields today than those during the revolutionary war period, and so we must not relax our efforts in this regard.

Fundamentally speaking, the ongoing party rectification is meant to resolve the problems within the party, namely lax discipline and impurities in thinking, work style, and organization, and to improve the party building during the new period. In the course of party rectification, each party member must realize that the new policies our party has formulated and implemented on the basis of setting things in order since the 3d Plenary Session of the 11th CPC Central Committee are entirely correct; and that they are meant for significantly developing our nation's productive forces, promoting the entire socialist cause, and improving the people's living standard, so that our country's socialist system can be developed and perfected on that basis. Our work in all fields has been carried out around the great objective of building a prosperous and strong country with an affluent people. We should not overestimate the positive results achieved during the first-stage party rectification, and this can be demonstrated by the new, serious unhealthy practices appearing toward the end of the first-stage party rectification.

During second-stage party rectification, we should enhance our achievements, overcome our shortcomings, draw on the experience and lessons gained during first-stage party rectification, make great efforts to carry out education in party spirit, lofty ideals and a sense of discipline, and improve the quality of party members. The current great undertakings of reform, opening to the outside world and invigorating the economy under the leadership of our party are a rigorous test for every party member. Party members and cadre with party membership on all fronts should conscientiously pay attention to tempering themselves in the party spirit and have lofty ideals, moral integrity, education and a sense of discipline, particularly ideals and a sense of discipline. The present trend of reform is reasonable, and the economic situation is very good. Of course, under no circumstances should we lightly treat the various problems emerging in the course of advance. We must soberly know that the good situation can become bad if we fail to properly handle those problems meriting serious attention, and particularly if our party does not have a number of party members, who can resist both spiritual and material corruption under any circumstances.

Second, To Oppose Bourgeois Liberalization and Intensify Ideological and Political Work

In dealing with erroneous thinking or erroneous tendencies in the party, our party's principle has always been, and still is, to proceed from reality to solve the problem, regardless of whether the problem is "leftist" or rightist in nature.

During the first-stage party rectification, we carried out a widespread education to negate completely the "Great Cultural Revolution" and eliminate "leftist" influence, and the education yielded good effects. During second-stage party rectification, we should continue to pay attention to solving such problems. At the same time, we should guard against, and oppose, rightist ideas, which might appear, or have already appeared, under the new situation. Examples of latter are bourgeois liberalism, "putting money above all else," taking advantage of one's power to seek private interests, seeking private gain at public expense, moral degeneration, worshipping foreign things and flattering foreigners, disregard of national and human dignity, and so on.

Comrade Deng Xiaoping recently particularly emphasized the need to strengthen ideological and political work. The most important ingredients of such work are to carry out education in upholding the four cardinal principles and in "having lofty ideals, moral integrity, education, and a sense of discipline," to oppose, and resist, corruption by decadent capitalist and feudalist thinking, and to oppose bourgeois liberalization.

Not long ago, Comrade Deng Xiaoping pointed out: "Currently, liberalist thinking exists, not only in society, but also in our Communist Party. In order to undertake the four modernizations and pursue the policy of opening to the outside world, we must not practice liberalism. The trend of liberalization will disorganize our undertakings. In short, we have an objective -- that is, to have a stable political environment. Nothing can be done if we do not have a stable political environment, and this is a big truth in the governing of a country. This big truth overrides many small truths, because the small truths won't work without a stable political environment, even though they are reasonable." Comrade Deng Xiaoping also said: "In our country, to practice bourgeois liberalism is to take the capitalist road," and "then, our society will become disorderly and unstable and we shall accomplish nothing in construction; and to us, this is a very crucial matter of principle." This is a solemn declaration, telling people that we must persistently take the socialist road from beginning to end, and oppose any tendencies, words or deeds in taking the capitalist road. This political orientation for our national and social development should never change until we fulfill our ultimate aim of realizing communism.

Currently there is another problem that merits attention -- that is, the spread of small journals and books publicizing unhealthy things, and particularly hand-written copies of pornographic stories, pictures, videos, and videos about absurd superstitions and rascally "swordsmen." Those bad things are not only interfering with the building of socialist spiritual and material civilizations and reform, but also are seriously detrimental to public order. Such a situation is a reflection of the faintheartedness of ideological and political work in some localities and organizations. It is even more serious that some of our leading organs and cadres have been showing weakness and incapability since these pornographic items became rampant in poisoning the people, particularly the youngsters. Currently, such problems have aroused our attention, and all localities are taking positive measures to solve them.

We should notice that, although the pornographic videos and other obscene items have been banned by the State Council in explicit orders, some unhealthy small journals, books, and martial art videos look legitimate because they do not barefacedly publicize obscenity, but, in fact, publicize something about feudal underworld gang "justice" and patriarchal clanship of the old society, matters of bad taste that lure people to degeneration and to commit crimes. Those very unhealthy things are obstructing people from undertaking socialist modernization, from building socialism with Chinese characteristics, and from building socialist spiritual civilization. If we do not overcome them, they will inevitably lead people astray. Comrade Hu Yaobang, in a recent speech, quoted a passage from Lenin, reminding us that we should never fill people's minds with "spiritual garbage," which is 90 percent uselessness and 10 percent distortion, leading people to bad taste, and that we should make people, particularly the young, cultivate high values and work hard for China's rejuvenation. We must step up the building of socialist spiritual civilization, resolutely oppose corruption by decadent capitalist and feudalist thinking, and help people, especially the young, resist such corruption. At the same time, we should strengthen our daily ideological and political work, and educate the party members and the people in patriotism, collectivism, socialism, and communist ideology.

Third, the Relationship Between Party Rectification and Reform Must be Correctly Handled

We are undertaking party rectification, while we are carrying out reform, opening to the outside world, and invigorating our economy. Under such a new situation, we need to have a profound understanding of many new things. Comrade Deng Xiaoping has pointed out: "The four modernizations, which we are undertaking, are socialist modernizations, not the other modernizations." In building socialism, we must uphold public ownership as its mainstay, and go for common prosperity. We should never cause polarization and give rise to a new bourgeoisie. Comrade Chen Yun has also pointed out: "The economic construction being undertaken by our country, under the leadership of the party Central Committee, is socialist economic construction, and the economic structural reform is socialist economic structural reform. [Beijing XINHUA Domestic Service in Chinese at 1639 GMT on 15 October transmits a service message requesting publishers to add dots under the word "socialist" in above sentence for emphasis] Every Communist Party member must keep firmly in mind at all times that we are undertaking four socialist modernizations, not other modernizations. Our undertakings are socialist undertakings." We shall likely go astray if we do not understand in this way our ongoing reform and economic work, if we fail to straighten out our thinking, and fill our mind with socialist ideology, and if we even regard capitalist things as socialist.

As party rectification is undertaken while we are carrying out reform, we should constantly pay attention to handling the relationship between party rectification and reform well. Reform is in the interest of the whole. Party rectification must ensure and promote reform, and we must be very definite and firm about this point. At the same time, we should, in the course of reform, constantly pay attention to educating all comrades in our party and all people in our country to have lofty ideals, moral integrity, education and a sense of discipline, especially lofty ideals and a sense of discipline. Such an education is also in the interest of the whole, because it is a necessary and extremely important ideological and political condition for ensuring and promoting reform. If we fail to properly rectify party organization and to correctly set the style of the party, it will be impossible for reform to proceed smoothly. In that case, reform will deviate from its correct direction, and will encounter boycotts, distortion, and sabotage by various "countermeasures," and some will violate law and discipline in the name of "reform" at the expense of the country and the people. It is wrong to think of party rectification as conflicting with reform. It is also wrong to regard party rectification and the efforts to reform, open to the outside world and enliven the economy as the same thing, and slacken efforts for party rectification.

In the first stage of party rectification, the Central Commission for Guiding Party Rectification pointed out that it was necessary to follow the correct guidelines on professional work as an important aspect in achieving ideological unity. Practical experience has proven this decision to be correct, and positive results have been achieved in this regard. However, when we summed up the work of first-stage party rectification, we also discovered this problem: Some units paid attention to "following the correct guidelines on professional work" for a while but failed to satisfactorily accomplish other tasks in party rectification. It is very necessary to follow the correct guidelines on professional work, but this cannot substitute for carrying out other tasks in party rectification. One actually cannot effectively follow the correct guidelines on professional work if one does not link such guidelines with other aspects in the achievement of ideological unity and with work in the rectification of party style, the strengthening of party discipline, and the consolidation of party organizations; and one actually cannot do so without strengthening one's party spirit, improving one's party style, strengthening one's sense of organization and discipline, and stepping up ideological and political work. As Comrade Hu Yaobang pointed out in a recent speech, "It will not do if attention is paid only to professional work and not to political thinking. We have corrected the guidelines on professional work in the course of party rectification over the past 2 years, and this is of great significance for us to have gotten our work on all fronts into the orbit of really serving the drive for socialist modernization.

"At the same time, however, many localities and departments have paid attention only to following the correct guidelines on professional work, without linking their doing so with the strengthening of party spirit. Such being the case, it is impossible for them to have a correct concept of party spirit and is thereby very difficult for them to follow the correct guidelines on professional work." This should attract the attention of party committees at all levels, and they should conscientiously attach great importance to it.

RENMIN RIBAO ON OPERATION OF SPECIAL ECONOMIC ZONES

HK170811 Beijing RENMIN RIBAO in Chinese 7 Oct 85 p 5

[Article by Wang Zhuo: "A Probe Into Some Questions on Special Economic Zones"]

[Text] On the Target Modes of Special Economic Zones

What target mode should special economic zones [SEZ's] follow? This is the first question to be resolved in order to run SEZ's well. It seems that we should follow neither the target mode of "inward type" nor the target mode of "outward type," with only one fan sector, but the target mode of "two fan sectors and one pivot."

Obviously, the target mode of "inward type" is not desirable, because not only can it not accomplish the state's aim in running SEZ's, but also it will produce great consumption of the foreign exchange earned by SEZ's and the foreign exchange flowing there from other localities, and let foreign businessmen make use of the preferential policies of SEZ's to occupy our domestic market while giving nothing in return. Meanwhile, the target mode of "outward type," which functions only as one fan sector, is also not desirable, because it is actually a mode of export-processing zone, which means that SEZ's completely open up to foreign countries, exempt goods entering into their spheres from tariffs, and, in order to prevent duty-free goods from flowing inward, set up a wall against the people from the interior to effect a policy of segregation. Following this mode of outward type with "one fan sector" is also not in line with strategic direction of operating SEZ's and can not bring into play the superiority of a large country operating SEZ's.

During his inspection of the Shenzhen Special Economic Zone in November 1984, Premier Zhao Ziyang summed up the experience in developing SEZ's over the years and explicitly put forward the mode of "two fan sectors and one pivot" for running SEZ's. With one fan sector radiating outwardly and the other radiating inwardly, the SEZ itself is the pivot of the "two fan sectors." This mode means that SEZ's should focus on earning foreign exchange through export and open in all directions. This open-type SEZ mode, with "two fan sectors" focusing on earning foreign exchange through export is mainly characterized by the following: As far as production structure is concerned, products of SEZ's are mainly for sale abroad, with stress on earning foreign exchange, in terms of the ratio between products for sale abroad and those for sale in the domestic market, the principle of ensuring SEZ's maintain a self-sustaining balance of foreign exchange with a small surplus should be upheld; and as for the sources of funds, SEZ's should mainly absorb foreign investments, while the policy of making use of both foreign and domestic investments should also be carried out.

By following the open-type mode with "two fan sectors" focusing on earning foreign exchange through export, we can better display the pivotal role of SEZ's in radiating outwardly as well as inwardly, with the result of removing the drawbacks of the mode of inward type with "one fan sector," and also avoiding the disadvantages of the mode of outward type with "one fan sector." Only by following this open-type mode can we better bring into play the role of SEZ's as a "window for introducing technology, management, knowledge, and foreign policy."

Employing a Strategic Countermeasure Integrating "Promoting the Introduction of Advanced Foreign Technology" With "Strengthening Cooperation With Units in the Chinese Interior"

In order to gradually realize the target mode and make special economic zones display the role of "two fan sectors and one pivot," it is necessary to adopt a series of strategic countermeasures. First of all, it is necessary to resolutely implement the strategic countermeasure integrating "promoting the introduction of advanced foreign technology" with "strengthening cooperation with units in the Chinese interior."

With a view to achieving the strategic aim in developing special economic zones, we must base ourselves upon "promoting the introduction of advanced foreign technology." What strategic countermeasure should SEZ's employ in "promoting the introduction of advanced foreign technology?" I think that we should adopt a two-sided strategic countermeasure of walking on two legs. This so-called strategic countermeasure has two meanings. The first meaning is that by utilizing simultaneously both foreign and domestic investments funds, we should correctly handle the relationship between "only one party being willing" and "both parties being willing." So-called "both parties being willing" refers to the fact that the utilization of foreign funds and the introduction of advanced foreign technology can only be achieved by mutual consent, and needs the initiative of both sides rather than one. In order to gain the initiative, we should apply both of the two methods of using foreign investments to introduce advanced technology and using funds raised by ourselves or borrowed from elsewhere to introduce technology. Using funds raised by ourselves or borrowed from elsewhere, we will have to go through the channel of "technology and trade." It is easier to introduce real advanced technology through the channel of "technology and trade."

The second meaning is attaching importance to both the introduction of advanced foreign technology and the blazing of new trails. At present, some foreign organizations still impose various restrictions on our country's introduction of technology. If we just introduce foreign technology but do not blaze new trails, our technology will forever be backward. Therefore, while introducing technology from abroad, we must also pay attention to copying and developing the imported technology, and purposefully concentrate our own strength on developing new technology to the full extent of our capabilities. The construction of a scientific industrial park, proposed by the Shenzhen SEZ, which organically combines the three elements of scientific research, production, and education, and integrates industry and trade with technology and trade, is a useful experiment in promoting both the introduction of advanced foreign technology and the blazing of new trails.

However, it should be pointed out that the strategic countermeasure of "promoting the introduction of advanced foreign technology" for SEZ's must be based on the relevant strategic countermeasure of "strengthening cooperation with units in the Chinese interior." For example, the Shenzhen SEZ is a bridge for our country to develop its foreign economic relations and trade, including its economic relations and trade with Hong Kong. For the sake of making the Shenzhen SEZ a window for expanding foreign economic relations and trade, we must also employ the strategic countermeasure for "strengthening cooperation with units in the interior."

This strategic countermeasure has three contents. First, the Shenzhen SEZ should strengthen its economic ties with the interior; exchange qualified people; develop the combination of funds and technology; and jointly explore the resources in the interior, produce famous-brand and high-quality products, and open up the world market, thus not only increasing its capability of earning foreign exchange but also bringing along the economic development in the interior. Second, the Shenzhen SEZ should absorb and digest the advanced imported technology, bring forth new ideas, and produce "westernized equipment" to supply the interior with advanced technology and equipment. The form of supply can be trade, joint-ventures, or compensation trade, with the purpose of promoting technical progress in the interior and building up a powerful rear base for Shenzhen's import and export trade.

Third, a part of the Shenzhen SEZ's commodities produced by advanced foreign technology and equipment introduced with foreign investment funds should be sold on the domestic market, that is giving up a part of the domestic market in exchange for the advanced foreign technology. Of course, these kinds of commodities sold on the domestic market should be confined to those import-substituting goods approved by the state. In the light of state policy, after the advanced technology and equipment introduced from abroad have been installed and put into production, it is necessary to avoid the phenomenon of shutting off their products from the domestic market and continuing to import similar commodities from foreign countries. As for the import-substituting goods, first, we should correspondingly readjust the foreign exchange control. Of course, the Shenzhen SEZ does not, in principle, develop those production departments that depend on the state's preferential policies to process raw materials from the interior and then ship their products back to the interior for sale, and which do not fall into the category of import-substituting.

Adopting the above-mentioned strategic countermeasure of "strengthening cooperation with units in the Chinese interior" has two purposes: First, to increase the foreign-currency earning capability of SEZ's; and second, to introduce advanced technology from SEZ's to the interior. Integrating the promotion of the introduction of advanced foreign technology with the strengthening of cooperation with units in the interior, we can form a benign economic cycle. This is the special superiority of a large country running SEZ's, as well as the basic form in which SEZ's serve the nationwide modernization drive.

Adopting a Strategic Countermeasure of Both Market Concession and Market Extension

How to implement the strategic market countermeasure of SEZ's is another question of great significance. I think that we should adopt the strategic countermeasure of both market concession and market extension, which means that we should not only let foreign businessmen acquire some of our markets in a planned way, but also strive to acquire some markets in foreign countries. With a view to utilizing foreign investment funds and introducing foreign advanced technology, SEZ's should, of course, strive by every means to sell more products back to foreign countries, so as to earn foreign exchange to pay off the principal and interest of foreign businessmen or pay the profits of foreign businessmen.

However, it is also impractical if we do not concede any of the domestic markets to foreign businessmen. Therein lies the crux of the failure of many imported items negotiated for several years. People worry about how we maintain a balance of foreign exchange if we let foreign businessmen acquire domestic markets. The method is to adopt at the same time a strategic countermeasure of letting our commodities acquire foreign markets. Let us again take Shenzhen as an example. In opening up foreign markets, we can carry out a series of specific measures in the light of specific conditions. First, in order to bring into play its advantage of being adjacent to Hong Kong, Shenzhen should make great efforts to organize the export of perishable commodities and to stimulate strong competition in the perishable commodities market in Hong Kong.

Therefore, on the one hand, it is necessary to bring into play the advantage of adjacency and to reasonably check and ratify Shenzhen City's export quotas of perishable commodities; and, on the other hand, it is necessary to check and ratify Shenzhen City's export quotas of perishable commodities for the next 5 or 10 years, so as to map out the development and introduction plans for perishable commodities. And also, it is necessary to make great efforts to improve the strains of the perishable commodities in Shenzhen and to open up some new quota-free markets for export commodities. Second, in developing the export of industrial goods of SEZ's we should, in a planned way, open up the world market for those competitive, high-quality industrial goods, rather than developing those assembling industries that consume foreign exchange.

Third, we should expand the scope "strengthening cooperation with units in the interior," and make use of the resources, raw materials, or primary products and export them after raising their value through precision work in SEZ's. Fourth, we should vigorously develop tourism and service trades. Fifth, we should gradually change the situation in which we rely purely on foreign businessmen to promote the export of goods, carry out both indirect and direct sales promotion, and actively open up direct sales channels in foreign markets.

In short, we should not only let foreign businessmen concerned open up some of our domestic markets but also actively squeeze outward to extend the foreign markets for our country's commodities. These two must be integrated. This is a strategic outflanking countermove in trade wars, and is more practical than the strategic market countermeasure that indiscriminately demands everything be sold back to foreign countries.

Adopting a Strategic Countermeasure of Maintaining a Balance of Foreign Exchange

With a view to accomplishing the anticipated aim in developing SEZ's, it is imperative to institute correct strategic foreign exchange countermeasures. Proceeding from the reality in our country, I think that we should adopt a strategic countermeasure of maintaining a balance of foreign exchange. The purpose of the above-mentioned adoption of a strategic countermeasure of both market concession and market extension is also to enable SEZ's themselves to maintain a balance of foreign exchange. A so-called balance of foreign exchange means that foreign exchange earned through export and other means is slightly more than the expenditure of the SEZ' and the remittances to foreign businessmen as principal, interest, and profit payments. In determining how much of the domestic market we should concede to foreign businessmen and how many foreign markets we should acquire, there must be a restrictive principle; and this is the principle of maintaining a self-sustaining balance of foreign exchange, including short-term and long-term balances of foreign exchange. The purpose of the state's establishing for SEZ's a preferential policy of retaining all excess earnings is to let SEZ's use this yearly increasing foreign exchange to "snowball." By constantly introducing advanced foreign technology to equip the primary and secondary industries, and by applying the advanced technology and equipment in order to process and export the resources, raw materials, and primary products from the interior, SEZ's can earn more foreign exchange and then introduce more technology. With this benign cycle of earning and using foreign exchange, the "snowball" will become bigger and bigger. This means that under the condition that the state introduces some preferential policies to SEZ's, SEZ's should adopt a strategic countermeasure of maintaining a balance of foreign exchange.

In order to carry out this strategic countermeasure, currently we must concentrate on resolving three questions. First, SEZ's must be based on earning more foreign exchange. Second, it is imperative to strengthen foreign exchange control. Third, it is necessary to control the utilization of foreign exchange by SEZ's and to make the utilization of foreign exchange serve the realization of the economic development strategy of SEZ's. Not being a special economic zone and having little foreign exchange, Xinhui County spent its limited foreign exchange on setting up modern industries, rather than pursuing quick success and instant benefits, and has achieved new high effectiveness. This experience merits attention. In terms of the utilization of foreign exchange, SEZ's must promptly shift from the orbit of focusing on import trade to the orbit of focusing on introducing advanced technology. This is a necessary strategic shift. If we do not make correct use of the state's preferential policy, but continuously spend the bulk of foreign exchange on importing industrial consumer goods and parts for assembly, ship the assembled finished products to the interior for sale, set up a number of assembling industries that consume foreign exchange, and let foreign businessmen acquire our domestic market while giving nothing in return, it will not only lead to mistakes concerning the strategic countermeasure of maintaining a balance of foreign exchange, but will also be incompatible with the strategic tasks of SEZ's.

The self-balancing of foreign exchange is a fundamental strategic countermeasure of SEZ's. This is a guiding principle of readjusting the selection and scheduling of the imported items in SEZ's. Only by so doing can we prevent the balance of foreign exchange in SEZ's from running away and avoid the risk of being deeply involved in foreign export debt.

It seems that the questions that have already arisen in SEZ's will sooner or later arise in other open cities and open economic zones. In this sense, questions studied and discussed in this article are also questions that should be studied and discussed by other open cities and open economic zones.

HONGQI VIEWS PEACE, DETENTE, DISARMAMENT

HK170613 Beijing HONGQI in Chinese No 18, 16 Sep 85 pp 25-27

[Article by Ye Ruan: "Peace, Detente, and Disarmament Accord With the Will of the People Throughout the World" -- capitalized passages published in boldface]

[Text] Forty years have passed since the end of World War II. The prime factor that has maintained a mainly peaceful situation in the world for 40 years in the postwar period is the will of the people. The desire of people throughout the world and their opposition to war, is an irresistible historical trend as well as a major strength and prime factor that can check war.

WHERE DOES THE THREAT TO PEACE COME FROM?

The present international situation remains tense and turbulent and the danger of a world war still remains. This has resulted from the overall arms race in which the two superpowers are locked for global rivalry. In March this year, the Soviet Union and the United States resumed the Geneva disarmament talks, which had been suspended for a year, but the talks have made no headway so far. On the one hand, both sides repeatedly have made charges against each other; and on the other hand, they have never ceased their efforts to carry out their expansionist military activities while holding talks on disarmament. Both the Soviet Union and the United States possess extremely huge nuclear and conventional arsenals and the size of these arsenals has gone far beyond the needs of protecting their security.

The two superpowers are devoting major efforts to developing and improving modern conventional weapons and different types of strategic and tactical nuclear weapons, and they are also developing chemical and biological weapons as well as other weapons of mass destruction. More disturbing is that, in recent years, they have entered into a contest to develop space weapons at top speed. As a result, their rivalry for military superiority has developed from land, sea, and air to outer space. The military expenditures of the two superpowers constitute 75 percent of the world's total and their conventional and nuclear arsenals account for 80 percent and more than 95 percent of the world's total, respectively. Both sides have an "over-kill capability" for destroying their counterpart. According to the actual situation in world armaments, those who are capable of unleashing a world war are none other than the two superpowers. The Soviet Union and the United States have dispersed troops to many places of the world and both have their military alliances and networks of military bases. For this reason, if a large-scale war breaks out, the battlefield will by no means be confined to the boundaries of their countries. Either their allies or many small and medium-size countries will all be involved in the war.

At present, the two superpowers are competing in the deployment of new intermediate-range missiles in Europe, thus, their military confrontation in Europe is much sharper. Their military deployment in the Asian-Pacific region continues unabated. The Soviet Union has deployed 100 "Backfire" bombers and 153 SS-20 missiles in the Far East and its Pacific Fleet, which is equipped with two aircraft carriers, has become its largest oceangoing fleet. Furthermore, the Soviet Union has been given the authority by Vietnam to use the naval and air bases in Can Ranh Bay and Da Nang.

Meanwhile, the U.S. naval, land, and air forces in the Pacific are being modernized and strengthened. In particular, the United States has reinforced its air forces stationed in Japan with up-to-date F-16 fighters and its 7th Fleet has been equipped with "Tomahawk" cruise missiles. The situation in the hot spots in the Middle East, Central America, southwest Asia, and southern Africa remains tense and turbulent. There are of course internal factors contributing to this situation, but the major factor is the rivalry between the two superpowers in these regions. Of course, the Soviet Union and the United States try their best to avoid direct conflicts between themselves in these regions, and these regional conflicts now may not develop into a world war, but they still constitute a grave threat to peace and stability in the world.

PEOPLE OF THE WORLD DESIRE PEACE AND SEEK DEVELOPMENT

The escalation of arms race by the two superpowers and the aggravation of the international situation run absolutely counter to current world trends and the will of the people. The people everywhere in the world, including the Soviet and American people, all are opposed to war and are eager for peace and development. This is the real "deterrent power" to check a new world war. Wars have brought very grave calamity to the people of various countries. World War II brought the loss of about 50 million lives and resulted in innumerable injured, disabled, and homeless. There has not been a new world war in the 40-year postwar period, but regional wars have not ceased. It has been estimated that there have been 160 large and small military conflicts or wars in this period and more than 20 million people have died in the flames of war. Since the 1960's, the killing power of weapons has greatly increased due to the rapid development of military science and technology. Apart from nuclear war, even a new world-wide conventional war would devastate the world more seriously than any world war in the past. If a nuclear war breaks out between the Soviet Union and the United States, it will unavoidably bring disastrous consequences to both of them and many other countries as well. Mankind is now facing a new threat -- the Soviet-U.S. space arms race. The international community shares the view that now it is particularly urgent to prevent a nuclear war and check the space arms race.

The arms race consumes a vast amount of human, material, and financial resources, thus severely affecting the development of the world's economy. In the past 10 years, the world's military expenditures increased from \$280 billion to over \$800 billion, this rate of increase was higher than the rate of economic growth in many countries. All over the world there are 500 million people who engage in military services; of them, there are several hundreds of thousands of outstanding scientists and skilled technical personnel. A huge amount of natural resources is used to produce weapons and other military equipment, which conversely, destroys much more of the wealth of mankind in wars. U.S. military expenditures now reach about \$300 billion a year. This means that the average military expenditures that would be borne by each American in a year exceeds \$1,000. The U.S. Government policy of increasing military expenditures by a big margin and sharply cutting expenses for public welfare has aroused ever growing dissatisfaction among the American people. According to an estimate, in recent years the Soviet Union has increased expenditures for its national defense by 4 to 5 percent every year.

The Soviet Government has declared that Soviet military expenditures this year rose by 11.8 percent over last year, this was the highest rate of increase in recent years. In recent years the growth rate of the Soviet economy has obviously been reduced. No doubt this is mainly due to the escalation of its arms race with the United States.

In order to seek a favorable position in their rivalry for global hegemony, the two superpowers compete in dumping their weapons on other countries for huge profits. Over the years, the two superpowers have been the biggest arms dealers in the world. What merits attention is that the volume of weapons imported in recent years by nations of the Third World, and in particular the nations that are regarded as hot spots, went excessively beyond that of developed nations. To buy these ever more expensive weapons, these nations have to bear a heavy load of military expenditures. For example, Latin American countries now owe a foreign debt of \$350 billion, but one-fourth of the amount was paid to purchase weapons. The confrontations, or wars, between some countries, such as the war between Iran and Iraq and the wars between India and Pakistan, have caused them tremendous losses in lives and property, and hampered or delayed their economic development.

The forces opposing war and safeguarding peace are growing steadily. In the United Nations, the demand for a halt to the arms race between the two superpowers and for achieving effective disarmament in the world in recent years has been increasingly stronger. Last year the 39th UN General Assembly adopted more than 60 resolutions on disarmament. Peace movements in various countries of the world, and particularly the massive movements in Western Europe and the United States, against nuclear weaponry have made new progress and strengthened their ties with each other. This has formed a mighty torrent opposing war and safeguarding peace. In the summer of 1982, more than 700,000 people in New York turned out in the streets and staged a huge demonstration to oppose the arms race and demand peace and disarmament. Many peace fighters flew in from Western Europe and Japan to participate in it.

The tide opposing the United States' and the Soviet Union's deployment of new intermediate range missiles in Europe, which started at the end of 1983, has engulfed the European continent and millions of people from all walks of life have risen to shout with one voice -- "No Pershing missiles and no SS-20's either."

The seventh conference of the heads of State of nonaligned nations, which was held in New Delhi in March 1983 and attended by more than 100 member countries and organizations, pointed out correctly: "Peace and peaceful coexistence, independence, disarmament, and development are the crucial questions of the present age." The non-aligned countries oppose "foreign aggression, occupation, domination, intervention and hegemony of all forms," and call for a stop to the "contention for spheres of influence and for a dominant position as well as to the arms race."

In April this year representatives of more than 80 Afro-Asian countries and regions gathered in Indonesia to commemorate the 30th anniversary of the Bandung Conference; they expressed the common aspiration of the Afro-Asian people to carry on the "Bandung spirit" under the new historical conditions, to safeguard peace, and to seek development. From May to September this year, when people of the world commemorated the 40th anniversary of the victory in the war against fascism, the voice of those fighting for peace and opposing war echoed throughout the world. In recent years an encouraging tendency of promoting mutual contacts, dialogue, and reconciliation has emerged in some regions of the world. The development of this tendency will be conducive to promoting stability in different regions of the world and will be helpful to world peace.

CHINA IS A MAJOR FORCE FOR OPPOSING WAR AND SAFEGUARDING PEACE

Safeguarding world peace is consistently a major goal of our foreign policy. In the almost 100 years before the founding of the PRC, the Chinese people were repeatedly subjected to foreign aggression and experienced to the full the disaster of war. They know very well that it is not easy to achieve peace. We have achieved great successes in economic construction since the founding of our people's republic, but we still fall far short of the developed countries in the world in the economic, cultural, and scientific and technological fields. To catch up with the world's advanced level, we should work hard with the effort of several generations. We hope we will, as early as possible, change the backwardness of our country and raise the people's living standards through our peaceful labor, and we also hope to see all countries of the world live in harmony, strengthen friendly cooperation and promote common prosperity. In the effort to modernize our country, we naturally need a durable and stable peaceful international environment. And conversely, a modernized powerful China will become a strong force for striving for peace and opposing war. We desire peace not only today, but also in the future when our socialist modernization is achieved.

China has always been against the arms race and for disarmament. We oppose the spiralling escalation of the arms race between the two superpowers. We are unwilling and unable to participate in such a race, which is harmful and of no value. China has always stood for the complete prohibition and thorough destruction of nuclear weapons and for a substantial reduction in conventional weapons. Completely against nuclear blackmail but for self-defense, China maintains very limited nuclear weapons and a certain number of conventional weapons. We have consistently held that the Soviet Union and the United States, which possess the most immense military strength in the world, should assume special responsibility for arms reduction in the world. They should take the lead in stopping testing, improving, and manufacturing nuclear weapons and in substantially reducing their nuclear arsenals and conventional military strength. Although the Soviet Union and the United States have failed to assume their special responsibility, China has still not shirked its responsibility. The Chinese Government has, of its own will, adopted many practical measures and made unremitting efforts to carry out arms reduction. As early as 1964, when China exploded its first atomic bomb, it solemnly declared: At no time and under no circumstances will China be the first to use nuclear weapons and it undertakes the commitment not to use nuclear weapons against nonnuclear states. In recent years, the Chinese Government has time and again reduced its expenditures for national defense and trimmed its Armed Forces. It has also converted a large number of war production factories to civilian use and handed over some military installations to the local authorities so that they can play a fuller role in economic construction. Furthermore, in June this year Deng Xiaoping, chairman of the CPC Central Committee Military Commission, declared that China would reduce the PLA by 1 million men. China's principled stand on the issue of disarmament and the concrete measures it has adopted have been widely praised by the world.

China is one of the advocates of the five principles of peaceful coexistence. It has unswervingly followed these principles in promoting its friendly relations and economic, scientific and technological, and cultural exchanges with various countries of the world. Under the guidance of the five principles of peaceful coexistence, China has settled with most of its neighboring countries the boundary problems left over from the past, and established and developed friendly relations and cooperation with the great majority of countries in the world. China's policies of opening up to the world and reforming its economic structure have opened vast vistas for further promoting its relations with various countries. China and Britain have satisfactorily settled the Hong Kong question through friendly consultations and mutual understanding and concessions. This has provided a new experience for the peaceful settlement of international disputes and contributed to maintaining stability in the Asia and Pacific regions and safeguarding world peace.

The development of the international situation shows that as long as the two superpowers do not stop the arms race and give up their contention for military predominance and expansionist policies, the danger of war will remain and the factors leading to war will increase. However, the people are the real strength in the world and it is the will of the people which determines the future of the world. We are convinced that the effort to safeguard world peace will be successful and the future of mankind is bright. The future of China is closely bound up with the destiny of the world. The 1 billion Chinese people are willing to unite with the people of the world to fight for their common noble objective -- world peace.

RENMIN RIBAO CARRIES HONGQI TABLE OF CONTENTS

HK151135 Beijing RENMIN RIBAO in Chinese 15 Oct 85 p 7

["Table of Contents for HONGQI No. 20, 1985"]

[Text] Forum: "It Is Necessary To Boost the Building of Spiritual Civilization"

Article by Bo Yibo: "A Number of Questions Concerning the Party Rectification and the Building of Party Organizations"

Article by Yuan Mu and Zhang Guanrui: "Correctly Understand and Handle the Relationship Between Reform and Construction"

Article by Gui Shiyong: "On the Basic Balance Between Total Demand and Total Supply in Society"

Article by Huang Hua: "Shouldering the Important Mission of Maintaining World Peace and Promoting International Cooperation -- Commemorating the 40th Anniversary of the Founding of the United Nations"

Article by Wang Fang: "Strengthen and Improve Ideological and Political Work in Enterprises in the New Period"

Investigation report by Ma Zhongyang: "Integrate Ideological and Political Work with Routine Professional Work -- a Survey Carried Out in the Shoudu Iron and Steel Corporation"

Article by Zhou Guanwu: "Attention Must Be Paid to the Forming of a Good Style in the Running of Factories"

Article by He Jingzhi: "For the Purpose of Bringing About a More Prosperous Situation in Socialist Literature and Art"

Article by Lu Xifan: "My Opinions About Boosting Drama"

Article by Wang Chunzheng: "Why Is It Said That the Task of Bringing About a Fundamental Turn for the Better in the State's Financial and Economic Conditions Has Been Basically Fulfilled?"

Article by Wei Liqun: "Why Is the Target of the Economic Growth Rate in the Seventh 5-Year Plan Set Lower Than That in the Sixth 5-Year Plan?"

Article by Zheng Hongqing: "What Are the Differences Between the Indicator of the Gross National Product and the Indicator of the Total Output Value of Industry and Agriculture?"

Article by Hou Gu: "Something That Is Enlightening for Our Ideological and Political Work"

Article by An Gihong: "Some Comments Deriving From the Turning About of a Big Ship"

Article by Ma Junrong: "The Real Record of Guangzhou's Reform and Opening -- An Introduction of 'The New Guangzhou in the Course of Reform and Opening'"

Article by Zhang Lei: "A New Flower in Historical Literature -- Gladly Reading the First Volume 'Grass Under the Setting Sun' of the Novel 'Willows by the White Gate'"

Book Review by Wang Shiyi: "The Record of the Success of Socialism in China -- An Introduction to the Book 'The Dissemination and Practice of Socialism'"

LEADERS CONGRATULATE VETERAN SCIENTISTS

OW100155 Beijing XINHUA Domestic Service in Chinese 1523 GMT 9 Oct 85

[By reporters Gu Mainan and Zhang Jimin]

[Excerpt] Beijing, 9 Oct (XINHUA) -- A jubilant air filled the main hall on the third floor of the Great Hall of the People this afternoon. In high spirits, veteran scientists and experts, who have been engaged in the scientific, technological, and educational work for 50 years, happily got together to accept congratulations.

Comrades Wan Li, Li Peng, and Hu Qiaomu were on hand to extend their congratulations. They went up to the scientists and experts to present to them certificates of honor on the 50th anniversary of their scientific, technological, and educational work.

Comrade Wan Li said: On behalf of the party Central Committee and the State Council, I extend my heartfelt thanks to you veteran scientists who are present today for your tremendous contributions to China's socialist construction and to its scientific and educational undertakings. In both old and New China, you have always strived to overcome all sorts of difficulties, and you have unwaveringly worked for the development of scientific undertaking in our country. I hope you will pass on such patriotism to the next generations and that you will work in unity and help each another in revitalizing the Chinese nation and contributing to the four modernizations program. May you have good health and a long life!

Comrade Hu Qiaomu also wished the veteran scientists good health and a long life. He said: All of you present today are veteran scientists who have engaged in scientific and technological undertakings for over half a century. We thank you for your invaluable contributions to promoting science, training one generation after another of scientists, building the national economy and defense, and raising the international status of China's scientific research. May you veteran scientists be full of vigor like Huang He and Chang Jiang in passing on your perseverance in protracted scientific research to the next generations.

Zhou Guangzhao, vice president of the Chinese Academy of Sciences, officiated at today's celebration meeting. He said: of the 131 veteran scientists who are engaged in the scientific, technological, and educational work at the Chinese Academy of Sciences, 99 are present today. We extend our congratulations to you with a cup of tea. The tea is warm, but our hearts are even warmer. He then read congratulatory letters from Comrades Nie Rongzhen and Fang Yi. Comrade Nie Rongzhen said in the letter: "I deeply regret that I am unable to attend the happy gathering because of difficulty in getting around. Here is a poem just to express my congratulations to you: You have worked hard for 50 years to bring into full play your talents to revitalize the Chinese nation. You compatriots praise you for the achievements in Chinese science and education today."

In his letter Comrade Fang Yi said: "You have painstakingly trained generations of talented personnel for the promotion of science and technology. In an effort to pass on the knowledge and experience accumulated in your life-long research work, you are still writing books and teaching students even today. You have demonstrated the noble character of the older generation of scientists, and you have set a good example for the new generation of scientific and technological workers."

HU QIAOMU ON IDEOLOGICAL, POLITICAL EDUCATION

OW130330 Beijing Domestic Service in Mandarin 0900 GMT 12 Oct 85

[Text] According to a report by ZHONGGUO JIAOYU BAO [CHINA EDUCATION NEWS], the State Education Commission held a report meeting from 5 to 8 October in Beijing on concepts of reforming the ideological and political course in middle schools in order to implement the CPC Central Committee's circular on reforming the school courses on ideology and morality and on political theories and to prompt the reform of the ideological and political course in middle schools. During the meeting, Hu Qiaomu, member of the Political Bureau of the CPC Central Committee, came to hear the participants' reports and delivered an important speech. In his speech, Hu Qiaomu, first of all, asked party committees at all levels, leaders of educational departments in all localities, and all middle school cadres and teachers to understand fully the special importance of the ideological and political course in middle schools. He said: In a certain sense, the middle school stage is the most important preparatory stage for an individual's development in his life. Training the students into citizens with ideals, morality, education, and sense of discipline is the general objective of the ideological and political course in middle schools.

Hu Qiaomu pointed out: The teaching materials for the ideological and political course in middle schools should be well organized so that the students can grasp the fundamental concepts. In addition, the teaching materials should be so compiled as to be readily accepted by the students and to induce their intense interest so that they will gain an impression unforgettable throughout their life. Hu Qiaomu stressed: The ideological and political course should be linked with the whole curriculum of middle schools and very aspect of the students' life in such a way as to form an organic whole. We should not regard it as a secluded course, but should make it an inseparable key part of the whole middle school education. He hoped that all comrades engaged in middle school education throughout the country and departments concerned in society would take concerted steps as necessary to fulfill the very arduous but lofty and important task of reforming the ideological and political course in middle schools. He also expressed the hope that normal colleges and universities as well as all circles in society would contribute to the teaching materials and to the building of the contingent of teachers for the ideological and political course in middle schools.

HU QIAOMU, OTHERS VISIT ANNUAL ART EXHIBITION

OW150821 Beijing XINHUA Domestic Service in Chinese 1456 GMT 14 Oct 85

[By reporter Zhu Shuxin]

[Excerpts] Beijing, 14 Oct (XINHUA) -- The Eastern Arts Exchange Society's Annual exhibition opened at the Chinese Art Hall on 14 October. Hu Qiaomu, Huang Zhen, Wu Zuoren, Li Keran, Gu Yuan, and other persons of the art circles viewed the exhibition.

XI ZHONGXUN, SONG RENQIONG ATTEND OPERA FESTIVAL

OW151925 Beijing XINHUA in English 1833 GMT 15 Oct 85

[Excerpts] Beijing, October 15 (XINHUA) -- A Beijing and Kunqu opera festival in which 2,000 actors will appear opened here today in a bid to revitalize these centuries-old traditional Chinese art forms. Xi Zhongxun, Song Renqiong and other party and state leaders attended the opening ceremony.

YANG SHANGKUN ADDRESSES HENAN COMMEMORATION RALLY

OW161425 Beijing XINHUA Domestic Service in Chinese 1918 GMT 15 Oct 85

[Excerpts] Zhengzhou, 15 Oct (XINHUA) -- General Peng Xuefang Memorial Hall was dedicated today at Balishuang in Xiayi County, Henan Province. Yang Shangkun, member of the Political Bureau of the CPC Central Committee and permanent vice chairman of the Central Military Commission, and Yang Xizong, secretary of the Henan Provincial CPC Committee, attended the dedication ceremony and unveiled a statue of Peng Xuefang.

The General Peng Xuefang Memorial Hall mainly consists of five attractions: The monument, the statue, the exhibition room, the site where the general laid down his life, and the area where his remains are preserved. Defense Minister Zhang Aiping wrote inscriptions for the statue of General Peng Xuefang and the exhibition room of the deeds of Comrade Peng Xuefang.

Speaking at the ceremony, Comrade Yang Shangkun praised Comrade Peng Xuefang as a great communist fighter of our party, an outstanding military commander of our Army and a fine political worker as well. Good at both army and political work and in both civil and military arenas, he manifested boundless loyalty to the cause of the party and people and superb leadership ability.

XI ZHONGXUN ATTENDS MA BI MEMORIAL SERVICE

OW161421 Beijing XINHUA Domestic Service in Chinese 1507 GMT 15 Oct 85

[Excerpts] Beijing, 15 Oct (XINHUA) -- A ceremony to lay to rest the ashes of Comrade Ma Bi, Standing Committee member of the Sixth NPC and member of the Central Standing Committee of the KMT Revolutionary Committee, was held at the Babaoshan Revolutionary Cemetery this afternoon. More than 400 people attended the ceremony, including comrades Xi Zhongxun, Liu Lantao, Peng Chong, Zhu Xuefan, Yan Jice, Hu Yuzhi, Yang Jingren, Hu Ziang, Qian Changzhao, and Qu Wu; as well as responsible persons of the KMT Revolutionary Committee, the All-China Federation of Taiwan Compatriots, the Taiwan Democratic Self-Government League, and other democratic parties and mass organizations.

Wreathes were sent by comrades Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Peng Zhen, Deng Yingchao, Wan Li, Xi Zhongxun, Yang Shangkun, Hu Qili, Chen Pixian, Wang Zhen, Liu Lantao, Cheng Zihua, Peng Chong, Wang Renzhong, Zhu Xuefan, Zhou Gucheng, Rong Yiren, Yang Jingren, Qian Changzhao, Fei Xiaotong, and Qu Wu; and the NPC Standing Committee, the CPPCC National Committee, the United Front Work Department of the CPC Central Committee, the KMT Revolutionary Committee Central Committee, the Taiwan Democratic Self-Government League, the All-China Federation of Taiwan Compatriots; as well as leading party and government organs of Hunan Province, Changsha City, and Xiangtan County.

HU QIAOMU ADDRESSES TELEVISION AWARDS CEREMONY

OW161806 Beijing XINHUA in English 1647 GMT 16 Oct 85

[Text] Beijing, October 16 (XINHUA) -- The winners of the national awards for best television plays show that China's television art, which is still young, has made considerable progress in a relatively short time, said Hu Qiaomu, a member of the Political Bureau of the Chinese Communist Party Central Committee.

He made the remark at an award ceremony held here today. A total of 14 television serials and plays produced last year won the fifth national television "Sky Flyer" awards granted by the Ministry of Radio and Television. "The Yellow Storm", a 28-episode serial produced this year, won a special award.

Hu said, artists should not pander to low tastes and should be always aware of their responsibility to society. At the same time, however, authorities at various levels should encourage, with a breadth of vision, all serious artistic creation. Too much criticism is harmful to creativity in the arts, he pointed out.

"The Snowstorm Came Tonight", as a serial about the life and ideals of educated young people in the wilderness of northeast China, won the first prize for serials. Directed by Sun Zhou for the television station of Shandong Province, the serial also won awards for best director, videotaping, male supporting role, music and sound. Best television plays were "Into the Distance", produced by the television station of Hunan Province, and "The Enlightenment of News", produced by the television station of Zhejiang Province; they both deal with the country's current reforms. "Into the Distance" also won awards for best screen play, male lead, female supporting role and lighting.

The special award winner, "The Yellow Storm", was adapted from "a four-generation family", a novel by noted Chinese writer Lao She (1899-1966), by the Beijing Television Art Center. Centering on a rich four-generation household, it takes 130 characters through life in Beijing under Japanese occupation. Ai Zhisheng, minister of radio and television, said, "The Yellow Storm" is an important event in the history of China's television art, and is of great significance to the development of television plays.

FANG YI ADDRESSES INVENTION ASSOCIATION MEETING

OW161754 Beijing XINHUA in English 1627 GMT 16 Oct 85

[Excerpt] Beijing, October 16 (XINHUA) -- China set up an association of inventions today, aiming at encouraging and instructing people to use their creativity, promoting the application of inventions and scientific research findings in production and developing intellectual resources. Before the association's inaugural meeting, party and government leaders including Ulanhu, Fang Yi, Hu Qiaomu, Yao Yilin, Chen Muhua and Hao Jianxiu, met with the inventors who are displaying their inventions at China's first national exhibition of inventions now being held here.

Addressing the inaugural meeting, Fang Yi, member of the Political Bureau of the CPC Central Committee and state councillor, expressed his congratulations to the association on behalf of the CPC Central Committee and the State Council. He described the establishment of the association as an event of far-reaching significance in China's history of developing science and technology. Invention and creation are of great importance for the development of the national economy, improvement of the people's livelihood and promotion of socialist civilization and development of socialist culture and morality, he said. It is one of China's basic policies to support and encourage inventions, Fang said, hoping that the new association would instruct and help youngsters in developing their intellectual resources and make contributions to training more talented people.

LI PENG URGES ELECTRONICS INDUSTRY DEVELOPMENT

OW172014 Beijing XINHUA in English 1909 GMT 17 Oct 85

[Text] Beijing, October 17 (XINHUA) -- Vice-Premier Li Peng noted here today that the country should protect and encourage the development of its electronics industry while introducing foreign technology. The introduction of such technology is intended to develop China's own industry, said the vice-premier when listening to a report on the development of Beijing's electronics industry. It is imperative for China to import foreign electronics technology, but it must be digested and help boost the country's industry, he noted.

The vice-premier said Beijing's electronics industry should rely more on itself for development. This means that the capital city should focus on the application and marketing of the industry and boost its development with the industry's own profits. Li emphasized that the right products are vital to the industry. He noted that only with the right products and sufficient markets can the industry gain the money needed for its research and development.

He said that the industry's markets can be further explored by developing products such as television sets which are in large demand. He also mentioned computers which he said would have bright application prospects in communications, control over energy consumption, and the management of product quality. Beijing should take the lead in applying microcomputers, the vice-premier added.

CHEN MUHUA ADDRESSES NATIONAL BANKERS MEETING

OW171440 Beijing XINHUA in English 1430 GMT 17 Oct 85

[Text] Beijing, October 17 (XINHUA) -- Chen Muhua, president of the People's Bank of China, the central bank, reiterated today to China's banking circles that no Chinese unit can issue bonds of any kind without the permission of the central bank. She told a national meeting of heads of local bank branches, which closed here today, that the government will continue to exercise management and control over the country's foreign exchange. But the foreign funds needed by Chinese units for contracts signed with foreign partners in economic and technical cooperation will be ensured, she added.

Chen, who is also a state councillor, told a group of visiting Japanese reporters earlier this month that China has enough foreign exchange reserves to back up its trade with other countries. She said that in March this year, China's foreign exchange reserves stood at 11.2 billion U.S. dollars. According to the latest issue of CHINA FINANCE, a magazine issued by the People's Bank, China's foreign exchange reserves were 10.852 billion U.S. dollars in June this year.

In her speech, Chen Muhua also mentioned that many foreign banks are eager to open branches in China. "We are only considering allowing foreign banks to open branches in China's special economic zones, because at present we still lack management experience," she said.

ANHUI'S HUANG HUANG ADDRESSES NONPARTY FORUM

OW172305 Hefei Anhui Provincial Service in Mandarin 1100 GMT 16 Oct 85

[Excerpt] The Anhui Provincial CPC Committee held a forum of nonparty personages in Hefei on the morning of 15 October to transmit the guidelines of the National Conference of Party Delegates and the 4th and 5th Plenary Sessions of the 12th CPC Central Committee to responsible persons of all democratic parties and concerned people's organizations, well-known nonparty personages, and patriotic personages in minority nationalities and religious circles in Anhui.

Shi Junjie, deputy secretary of the provincial CPC Committee, chaired the forum. Huang Huang, secretary of the provincial party committee, briefed forum participants on the National Conference of Party Delegates and the 4th and the 5th Plenary Sessions of the 12th CPC Central Committee, transmitted the guidelines of those three meetings, and reported on his impression after studying the documents from the meetings. Comrade Huang Huang urged the forum participants to diligently study and penetratingly understand the guidelines of the documents in the spirit of fighting in unity to achieve the gigantic goal, a call made by the national conference, in accordance with the actual situation in Anhui, and make constructive suggestions for implementing the guidelines.

JIANGSU'S HAN PEIXIN ADDRESSES PLA MEETING

OW180115 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 12 Oct 85

[Excerpts] On the morning of 12 October, the Jiangsu Provincial CPC Committee, the provincial government, the Nanjing Military Region, and the provincial military district jointly held a meeting at the Wutaishan Stadium in Nanjing for members of the third subgroup of the PLA heroic models reporting group to make reports. Attending were responsible comrades of Jiangsu Province Han Peixin, Shen Daren, Gu Xiulin, Sun Han, Yue Dewang, Hu Fuming, Chu Jiang, Qian Zhonghan, Zhen Shen, Yang Yongyi, Xing Bai, and Luo Yunlai; and responsible comrades of the leading organs of the Nanjing Military Region and the provincial military district Fu Kuiqing, Guo Tao, Yu Yongbo, Fan Zhilun, and (Xia Jucheng). Also attending were responsible comrades of the provincial departments, military academies of the PLA in Nanjing, and colleges and universities there; as well as office cadres, workers, and PLA commanders and fighters, totaling some 10,000 people.

When leading comrades of the party, government, and military organs accompanied the members of the subgroup into the hall, and took them around to meet with participants, they were greeted by prolonged and warm applause. Children presented flowers to the members of the group.

The report meeting was presided over by Gu Xiulian, deputy secretary of the provincial CPC Committee and provincial governor. She said: [Begin Gu recording] Dear comrades, the heroic models of the Chinese PLA are the most lovable people of the 1980's. Their heroic deeds, as well as those of our PLA commanders and fighters against the Vietnamese at the frontline, and those fighting at the highlands' and nautical frontlines, and in border regions, provide a lively education in patriotism, and in communist ideals and discipline. They also serve as concrete models for us in implementing the guidelines of the National Conference of Party Delegates, strengthening the socialist spiritual civilization, and improving party style and social conduct. Now Comrade Zhang Rongxian, company leader of a certain unit, will make a report. He has just returned from the frontline. He was wounded in Laoshan on 23 September. The company he led has fought wonderful battles, and has been commended by order of the Central Military Commission. He won the Merit Citation Class I. Now let's give him our warm applause. [applause] [end recording]

Han Peixin, secretary of the provincial CPC Committee, spoke. He said: [Begin recording] Dear comrades, we have just heard the grand and moving reports by three comrades of the third subgroup of the PLA heroic models reporting group. These reports consists of plain facts, and portrary the glorious images of the heroic collectives of our Army. They demonstrate the spirit of the Chinese nation, create the most powerful tone of our times, and display our Army's fine qualities and dauntless spirit. This is the pride of our party, nation, and people. We give the highest respect and the most sincere regards to comrades of the heroic models reporting group, to commanders and fighters of the units in the Laoshan and other frontline areas in Yunnan, and to the great Chinese PLA. [applause]

The current reports by comrades of the third subgroup in our province will constitute a driving force in implementing the guidelines of the National Conference of Party Delegates, promoting socialist spiritual civilization, and further improving party style and social conduct. [end recording]

Comrade Han Peixin said: [Begin recording] There are many things we should learn from the heroic models. Now it is particularly necessary to learn from their lofty ideals; their broadmindedness in constantly bearing in mind the well-being of the 1 billion people; and their spirit of sacrificing themselves for the sake of the party, the people, and the communist cause. We should learn from their high sense of organization and discipline; their revolutionary, heroic spirit of constantly forging ahead and smashing all obstacles; their efforts to incorporate lofty ideals in their everyday work; and their noble quality of consciously subjecting personal to collective interests, parochial to overall interests, and short-term to long-term interests. Party organizations at all levels should follow the guidelines contained in the latest speeches of the central leading comrades, attach importance to learning from the heroic models, regard it as a concrete step to promoting socialist spiritual civilization, and list it as an important item on the agenda for discussion. They should meticulously plan for the related activities and strengthen leadership accordingly. [end recording]

In conclusion, Comrade Han Peixin said: [Begin Han recording] Party organizations at all levels should continue to launch the activities of learning from heroic models in the frontline, strengthen the education on [words indistinct], and foster a proper atmosphere throughout the province for loving, respecting, learning from, and supporting the PLA. The more the Army undertakes to make sacrifices and contributions to the motherland and the people, the more we should show concern for and support reforms and construction in the people's Army. We should see to it that everyone is united in achieving our grand plans. [applause] [end recording]

JIANGXI LEADER MEETS RED ARMY REPORT GROUP

OW171333 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 14 Oct 85

[Excerpt] Wan Shaofen, secretary of the Jiangxi Provincial CPC Committee, met with the Jiangxi report group on the road of the Red Army in Nanchang on the evening of 13 October. During the meeting, she said: In implementing the guidelines of the National Conference of Party Delegates and accelerating the development of the old liberated areas in Jiangxi, we must, on the one hand, explore our province's rich natural resources and, on the other, open up our precious spiritual treasure house. The heroism of Jiangxi's numerous revolutionary martyrs and the revolutionary deeds of old comrades and Red Army soldiers from Jiangxi and other provinces are valuable wealth for promoting the building of socialist material and spiritual civilization.

SHANGHAI COMFORT TEAM TO LEAVE FOR JIANGXI

OW162304 Shanghai City Service in Mandarin 2300 GMT 14 Oct 85

[Text] The Shanghai comfort team, that will go to Jiangxi to participate in various activities to mark the 30th anniversary of the founding of the Jiangxi CYL Reclamation Farm, has been formed. On the morning of 14 October, Secretary Rui Xingwen and Deputy Secretaries Yang Ti, Huang Ju, and Wu Bangguo of the Shanghai Municipal CPC Committee met with the Shanghai comfort team at the office of the Shanghai Municipal CPC Committee. The team is led by Pei Xianbai, vice chairman of the Standing Committee of the Shanghai Municipal People's Congress. Rui Xingwen and other leading comrades asked the team to convey their greetings to those young people from Shanghai who have been working hard in Jiangxi over a protracted period. Rui Xingwen said: The CYL Reclamation Farm was set up 30 years ago. However, the pioneering spirit of those young people who have worked hard in the farm is still of great immediate significance. Right now, we still need young people with lofty ideals to open up large areas of wasteland. It is hoped that the members of the Shanghai comfort team will bring to Jiangxi the achievements of the people in Shanghai in developing the four modernization program, as well as their hard-working spirit, while bringing back from Jiangxi whatever is good there to promote the two civilizations in Shanghai.

The Shanghai comfort team, composed of 50 people of all walks of life in Shanghai, will leave the city tomorrow for Jiangxi to participate in various activities to mark the 30th anniversary of the founding of the Jiangxi CYL Reclamation Farm.

WANG FANG SPEAKS AT ZHEJIANG CPPCC MEETING

OW162348 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 14 Oct 85

[Text] The 12th Standing Committee meeting of the 5th Zhejiang Provincial CPPCC Committee was held today. Wang Jiayang, chairman of the provincial CPPCC Committee presided. Wang Fang, secretary of the Zhejiang Provincial CPC Committee, delivered a report, relaying the guidelines laid down by the National Conference of Party Delegates and the 4th and 5th Plenary Sessions of the CPC Central Committee. On the study of the documents of the party conference and the plenary sessions, Comrade Wang Fang said: Efforts must be made to pay full attention to the key points in the documents. First of all, we must do a good job in studying the current situation and policy. It is necessary to correctly understand the current situation and persistently carry out reforms. Efforts must be made to develop socialist spiritual civilization and implement the principle of simultaneously promoting the two civilizations. Primarily, we must settle the question of party style, bring about a fundamental improvement in party style and further improve the general mood of society. In the course of studying the documents, we must not merely talk in generalities. We should link theory with practice, go deep into basic-level units to conduct investigation and study, propagate the guidelines of the national party conference and the plenary sessions, and answer questions raised by the masses.

Tang Yuanbing, vice chairman of the provincial CPPCC Committee, relayed the guidelines laid down by the 10th Standing Committee Meeting of the 6th National CPPCC Committee. Panel discussions will begin tomorrow.

GUIZHOU VICE GOVERNOR ON CAPITAL FUNDS SHORTAGE

HK171023 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 14 Oct 85

[Text] On 11 October, at a meeting sponsored by the provincial government for responsible persons of relevant provincial departments, bureaus and central units in the province, provincial Vice Governor Liu Yulin said that seriously studying and solving in a planned way the contradiction between demand and supply of funds is an urgent task that economic departments in our province are now facing. On behalf of the provincial government, the vice governor put forth four suggestions on solving the sharp contradiction between the demand and supply of funds.

1. When handling the relationship between the supply and demand of loans, we must unify our ideas to correspond with the central leadership's policy of strengthening macroeconomic control. We must abandon the idea of relying solely on state funds to develop production and establish the idea of relying on one's own efforts. All units must do their utmost to maintain a balance between supply and demand of loans by tapping their own potentialities.

2. We must encourage more people to deposit money in banks, mainly in saving and enterprise deposit accounts. Now is the best time for the province to develop urban and rural savings deposits and the prospects in this field are promising. We must set up savings deposits offices in administrative organs and other units as soon as possible. Money depositing departments must provide as much convenience as possible to depositors in such fields as business hours, methods of service, and the types of deposits. It is necessary to improve service from time to time, to upgrade the quality of service, and to absorb more funds by vigorously developing savings deposits business, so as to support economic construction. Enterprises' deposits are the main source of funds in economic construction. Banks should absorb as much enterprise funds as possible.

3. We must actively deliver goods to other provinces and control the outflow of funds to other provinces. On the one hand, the province should upgrade its own abilities in goods supply and reduce imports from other provinces and cities as much as possible; on the other, the province should give full play to its superiorities in goods and natural resources and should sell more goods to other provinces.

4. We must control the size of loans, transfer funds flexibly, and accelerate funds circulation. Banks must continue to uphold the principle of treating different units in different ways and supporting units selectively. They must arrange funds and release loans in order of importance and urgency. We must strengthen control over mobile funds, special funds, and cash; strictly control the size of fixed asset investment; and avoid unreasonable expansion of consumption funds. Banks must grasp the work of recovering matured loans and raise efficiency in using funds.

Vice Governor Liu Yulin stressed that the issue of funds concerns the overall situation of the province's economic construction. All areas and departments must seriously address it, make concerted efforts, pay less lip service, do more practical work, and solve the sharp contradiction between the supply and demand of funds as soon as possible.

HEBEI CIRCULAR ON 1986 WHEAT PURCHASING TASK

SK090118 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 20 Sep 85

[Text] Recently the provincial government defined a 1986 task of fixed quotas for wheat purchases in accordance with the assigned 1986 winter wheat sowing plan and the demand for wheat. The provincial government called on all localities to immediately make arrangements and plans for implementing the task at the grass-roots level. Seventy-five percent of the 1986 peasant wheat supply will be purchased at an increased price and 25 percent at a parity price.

The provincial government issued a circular, calling on grain departments to conscientiously implement the price policy. The wheat covered by the task of fixed purchasing quotas will be purchased by the state at proportional or preferential prices. The wheat not covered by the task will be purchased according to market demands and price changes, or can be managed through different channels. When the peasants market wheat to the state, the grain departments are not allowed to ask for any credit from them but should pay cash on delivery. At the same time the peasants should remember that marketing grain to the state on a contract basis is a duty of the peasants. The peasants must fulfill their duty in normal harvest years.

The circular called on all localities to mobilize the masses to implement the task through repeated coordination and consultation of higher and lower levels but not by assigning equal tasks or changing tasks according to the proportion of last year's fixed purchasing quotas. We should solve the problems of implementing the task in a timely manner no matter how serious they are, in order to ensure implementation of the task of fixed purchasing quotas assigned by the province.

The circular said: It is an important policy matter to achieve the task of fixed quotas for purchasing of wheat. Time is pressing and the task is heavy. Thus, all localities should conscientiously strengthen leadership to enthusiastically complete the work, firmly grasp the opportunity, and strive to implement the task among the peasant households before the sowing of winter wheat.

Commentator's Article

SK170514 Shijiazhuang HEBEI RIBAO in Chinese 20 Sep 85 p 1

[Commentator's article: "Adopt an Overall Point of View, Grow 40 Million Mu of Wheat"]

[Excerpts] Our province has decided to expand the wheat growing fields to 40 million mu. Fulfilling this task while ensuring good quality and quantity will certainly have a profound influence on the province's grain production next year and on the further readjustment of the structure of rural production.

This autumn, most localities and peasant households have paid attention to wheat production. Cadres and the masses in some localities, however, have not vigorously developed wheat production, because they have thought "having enough food to eat is all right." Their enthusiasm in buying means of production, therefore, has been dampened, and their workload and fertilizer application have been reduced improperly. This is mainly because: First, they have failed to correctly handle the relations between agriculture, industry, and commerce. They have merely paid attention to the fact that "without industry, we cannot become rich; and without commerce, we cannot invigorate the economy," but have neglected the fact that "without agriculture, we cannot stabilize our economy." It should be noted that neither industry nor commerce can be separated from agriculture. Without stable agriculture, it is impossible to supply sufficient foodstuffs and raw materials, and to invigorate industry and commerce.

This has been proven by practice. During the past few years, it is the bumper grain harvest that has allowed our agriculture, animal husbandry, fisheries, and town- and township-run enterprises to develop rapidly. The development of agriculture, animal husbandry, fisheries, and town- and township-run enterprises has promoted the development of commodity circulation. Second, they have failed to correctly handle the relations between the state, collectives, and individuals. On no account should all localities and peasant households engaging in grain production determine their production amount according to what they themselves need. Their production development should be aimed at delivering a large amount and good assortment of good-quality grain to the state. Our socialist cause constitutes a whole. If all professions and trades develop production according to their own needs, it will be difficult to satisfy the needs of the society as a whole, and our four modernizations will be affected. Therefore, in developing grain production, we should adopt an overall point of view, tap the potential of all localities, try our best to fulfill the wheat growing task, and provide the society with still more marketable wheat.

Our province has great potential in developing wheat production. The per-unit wheat yield is only 300 to 400 jin in most localities. Even in some prefectures, counties, and townships whose wheat output is relatively high, their per-unit wheat yield is uneven, and their potential has not been fully tapped. This year, there has been relatively more rainfall, and sufficient moisture content in the soil in some localities. However, there are also some unfavorable factors. For instance, the crops are ripening, and a few peasant households have the idea of "there is nothing to worry about." We should do penetrating and painstaking work to change these unfavorable factors to favorable ones.

HEBEI SECRETARY ON PROBLEMS IN PARTY STYLE

SK170733 Shijiazhuang HEBEI RIBAO in Chinese 2 Oct 85 p 1

[Text] From 27 to 30 September, after participating in the National Conference of Party Delegates in Beijing, Xing Chongzhi, secretary of the provincial CPC Committee, came to Langfang Prefecture to view the situation and to give instructions to their work. Together with Wang Honglian, deputy secretary of the prefectural CPC Committee and commissioner of the prefectural Administrative Office, he successively conducted investigations among more than 20 units in the counties of Guan, Yongqing, Daan, and Dacheng. He had extensive talks with workers, technicians, primary and middle school teachers, grassroot cadres, and peasants engaged in specialized production; listened to the work reports by responsible comrades of the four counties; and gave several opinions on the current work.

While talking with county responsible comrades, Comrade Xing Chongzhi repeatedly stressed they should organize party members and cadres to study the documents of the National Conference of Party Delegates, and regard the work of achieving a fundamental turn for the better in party style and social practice as a prominent task this year and next. Efforts must be made to firmly attend to the current work. The National Conference of Party Delegates pointed out: The task for achieving a fundamental turn for the better in party style and social practice is still very heavy. Although we have done a lot of work on the socialist spiritual civilization, the results are not satisfactory enough. The main reason is that the whole party has not paid earnest attention to it. We have not made sufficient efforts to conduct the spiritual civilization, nor do we fully understand it. Some comrades consider the material civilization a hard task and the spiritual civilization an easy one. Thus, to some, the material civilization was more important than the spiritual civilization.

Some comrades held that we should first conduct the material civilization and then the spiritual civilization. Some held that the spiritual civilization will be promoted automatically if the material civilization is well carried out. These are lopsided views. The two civilizations are closely related to each other. We must attend to the two civilizations simultaneously. No difference in order of priority and importance should exist between them. Without the material civilization, the spiritual civilization, we cannot have correct political orientation or unite the people of the whole nation to push forward the material civilization. Therefore, we should stress attending to the two civilizations simultaneously. The reason for this stress is that we have failed to attend to the work in this regard or neglected the spiritual civilization and ideological and political work. The provincial CPC Committee, the prefectural CPC Committee, and the county CPC committees should concentrate more energy on the work in this regard.

Comrade Xing Chongzhi said: The key to achieving a fundamental turn for the better is that the party organizations and leading cadres at all levels and party members should play an exemplary role in earnestly practicing the work in this regard. Why was the party style so good during the war years? It was because the party organizations at all levels and party members were the first to bear hardship and the last to enjoy comforts and were always in the vanguard of very important matters. Why are the people not satisfied with our present party style? Because some party members and cadres are the first to seek advantages and the last to suffer loss. Some party members and cadres have taken advantage of their functions to seek private gain and not carry out their exemplary role. Even some party members have violated law and discipline and engaged in unhealthy practices.

Comrade Xing Chongzhi pointed out: In order to realize a fundamental turn for the better in party style and social practice, we must strengthen ideological and political work and upgrade the quality of all party members. Many unhealthy practices have been corrected in the past 2 years, but new unhealthy practices have emerged in their place. The main reason is that we have no strong ideological basis or solid ideological and political work. We must enhance education on ideals and discipline, particularly education for youngsters, in order to enable them to foster the lofty communist ideals and the ideals of serving the people wholeheartedly. Social practice as a whole will certainly take a favorable turn when the quality of party members is upgraded and party style is improved.

SHANXI LEADERS ATTEND WOMEN'S CONGRESS OPENING

HK170233 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 16 Oct 85

[Excerpts] The sixth Shanxi provincial women's congress opened in Taiyuan on 16 October. The opening ceremony was attended by responsible comrades of the provincial CPC Committee, Advisory Commission, People's Congress Standing Committee, government, and CPPCC including Li Ligong, Wang Senhao, Wang Jiangong, Ruan Bosheng, Li Xiuren, Bai Qingcai, Lu Gongxun, Zhang Changzhen, Wu Dacai, Wang Maolin, and Hu Xiaoqin. Provincial CPC Committee Deputy Secretary Wang Jiangong made a speech.

BAN YUE TAN ON TAIWAN, PEACEFUL REUNIFICATION

HK130944 Beijing BAN YUE TAN in Chinese No 18, 25 Sep 85 pp 6-9

[Article by Wang Xuan: "A Talk on the Peaceful Reunification of the Mother Country"]

[Text] Abstract: The idea of "one country, two systems" has roused great repercussions inside and outside Taiwan island. The voices of various circles in Taiwan demanding the establishment of direct transport, trade, and postal relations and the holding of peaceful talks are becoming increasingly louder and people have discussed the issue of unification a lot. Beyond the border, relatives have met, academic exchanges have been held frequently, and the volume of indirect trade has risen quickly. It will be hard for the Taiwan authorities to maintain their stand of "refusing the establishment of transport, trade, and postal relations" for long. [end abstract]

Taiwan compatriots are a constituent part of the Chinese nation. Of the 19 million plus people in Taiwan, 98 percent are of Han nationality and 2 percent are of nine nationalities that are referred to as the Gaoshan nationality. Of the people of Han nationality there, more than 80 percent are descendants of natives of southern Fujian and about 15 percent are descendants of natives of Maixian County. At the end of the war of liberation, about 2 million people left the mainland for Taiwan. They were natives from all provinces.

For 36 years, the KMT authorities have forbidden Taiwan compatriots from having any contacts with the mainland and have up till now refused to hold talks between the KMT and the CPC and rejected the proposal for the establishment of transport, trade, and postal relations. Our country has remained artificially divided and the people on the one side of the Taiwan Strait do not know what has become of their relatives and friends on the other side of the strait. Separated husbands and wives have not been able to reunite for many years and relatives on the two shores have not been able to meet. What a pity. The common efforts of the people on both sides of the strait are necessary to put an end to this unhappy situation.

Rational Principle and Policies Toward Taiwan

In December 1978, after the 3d Plenary Session of the 11th CPC Central Committee, the strategic principle of "reunifying the motherland peacefully" under the new situation was formulated. Over the past few years, the CPC Central Committee and the NPC Standing Committee have time and again announced major policies toward Taiwan. In 1979, the NPC Standing Committee published a "public letter to Taiwan compatriots" to publicly announce this principle and the cessation of the bombardment of Jinmen and Mazu, call for putting an end to the military confrontation, proposing the establishment of transport, trade, and postal relations, and placing hope on the Taiwan people and also on the Taiwan authorities for the realization of the peaceful reunification of the motherland. In that year, Comrade Deng Xiaoping pointed out that the great cause of the realization of the peaceful reunification of the motherland had to be concretely taken into consideration. In 1981, Ye Jianying, chairman of the NPC Standing Committee, expounded on the "9-point" principle, proposed holding talks between the KMT and the CPC on an equal footing in order to fulfill the great task of reuniting the motherland. After reunification, Taiwan, as a special administrative region, will enjoy a high degree of autonomy and will be able to retain its troops. Taiwan's social and economic systems and lifestyle will be maintained unchanged and the people of various nationalities and circles in Taiwan are welcome to come to discuss national affairs. In that year, in his capacity as a responsible person of the CPC, Comrade Hu Yaobang invited Chiang Ching-kuo and other personalities of the Taiwan authorities and well-known personages of various circles in Taiwan to visit the mainland and hold talks. In 1983, Comrade Deng Xiaoping talked with Yang Liyu and put forward more concrete policies that contain lenient terms for Taiwan and said that "neither side will wipe out the other."

In 1984, Comrade Deng Yingchao reminded Taiwan that it had to be on its guard against foreigners' interference in China's internal affairs, made clear that "under the major precondition of reunification, any problem can be discussed and it is always possible to solve any problem reasonably," and pointed out that "hope has been placed on the Taiwan authorities and the Taiwan people" for the achievement of the goal of the reunification of China. In that year, Premier Zhao Ziyang called on the Taiwan authorities "to have contacts and hold talks, which can solve any doubts or worries." He also said that we are willing to consult with Taiwan authorities and the people of all circles in Taiwan in order to find a scheme of peaceful reunification acceptable for both sides as soon as possible. Since the publication of the Sino-British joint declaration on Hong Kong question, Comrade Deng Xiaoping said that in peacefully solving the Taiwan issue, we must make full allowance for Taiwan's history and reality and put forth the idea of the implementation of "one country, two systems," the practice of maintaining Taiwan's existing system unchanged while the mainland practices socialism.

To sum up, the four major aspects of the CPC Central Committee's policy toward Taiwan are as follow:

1. We adhere to the stand that there is only one China and that the policy of "one country, two systems" will be implemented after reunification. Taiwan is an inseparable part of China. According to the stipulation of our Constitution, a special administrative region can be set up in Taiwan to implement a high degree of autonomy and maintain some unique powers that no other province has ever had, including some powers concerning foreign economic and cultural exchanges, but not including diplomatic powers. There will be only one name for the country, namely the People's Republic of China.
2. We should strive to solve the Taiwan issue by peaceful means and realize the reunification of the motherland. The adoption of peaceful means is a policy decision that has been made out of the consideration of the interests of the Taiwan people and Taiwan authorities and the needs for a peaceful environment for the construction of the mainland and that has been made to meet the international situation. However we cannot promise to give up nonpeaceful means.
3. The method for realizing reunification is to hold talks on an equal footing between the KMT and the CPC and to conduct a third round of cooperation between these two parties. These will be talks carried out on an equal footing and will not be talks between central and local governments. Naturally, consultations from people of all circles will be solicited during the talks.
4. We place hope on the Taiwan authorities, and even more on the Taiwan people. The establishment of diplomatic relations between China and the United States was decided through negotiations respectively with the Japanese and the U.S. Governments. The solution of the Hong Kong issue was the result of the talks between the Chinese and British Governments. Taiwan is under the KMT's rule, therefore, of course, we have to hold talks with the KMT authorities in Taiwan. This is the practice of proceeding from reality. Fundamentally, peaceful reunification conforms to the basic interests of the people of all nationalities in Taiwan; therefore, we place even greater hope on the Taiwan people.

The Situation Is Developing Toward a Direction That Facilitates Peaceful Reunification

Since 1979, our principles and policies toward Taiwan, particularly, the idea about "one country, two systems" have had great repercussions both inside and outside Taiwan island.

Indirect transport, trade, and postal contacts across the strait have long gone on and at present, there are increasingly louder voices among the various strata of people in Taiwan calling for the establishment of direct transport, trade, and postal relations and the holding of peaceful talks. There have been fairly many postal contacts which will continue to increase. Many people have come to settle down in the mainland. Every year, about 10,000 Taiwan compatriots come to the mainland to see and tour the mainland, to visit the land of their ancestors, to do business, to give lectures, and to see with their own eyes our construction. There have been increasingly more reunions abroad of relatives of the two sides and also relatively frequent academic, cultural and sports exchanges. Taiwan people living on the island or abroad are learning about the true situation on the mainland through diverse channels. An increasingly larger number of them understand and are in favor of our principles and policies toward Taiwan. In the past, talking about reunification was politically forbidden in Taiwan and circulating information about the mainland was an offense punished by imprisonment. However, during the past few years, these bans have been broken. The practice of talking about reunification is spreading widely among the people and is particularly much conducted among intellectuals and journalists. Some people have even dared to air their views on some public occasions and called officials to account. Our satisfactory achievements in the Olympic Games and other sports contests, the construction achievements on the mainland of the motherland, and so on, have made the Taiwan people feel proud of being Chinese.

Taiwan industrial and commercial circles vigorously demand the establishment of direct trade relations. There have been years of a relatively high growth rate in Taiwan's economy which relies very much on foreign countries, but during the past few years, it has encountered difficulties that are hard to overcome. Therefore, its indirect trade with the mainland has quickly increased in the past few years. Foreign newspapers say that last year the volume of that indirect trade was about \$600-700 million and that in the first quarter of this year it was \$600 million. It is estimated that the volume of trade for the whole year will be \$1 billion. Since we began to implement a policy of opening up to the outside world, the industrial and commercial circles in Taiwan have shown great interest in the market and resources of the mainland and particularly cherished great hopes about the opening up of the special economic zones and the 10 plus coastal cities. Many businessmen have already come to do business and intend to invest in the mainland by establishing factories there.

What about the Taiwan authorities? They also hold that there is only one China, oppose the "independence of Taiwan," and have resisted pressure from those who want to have "two Chinas." This should be confirmed as common things between them and us. Now, the KMT and the CPC have an increasingly more common language. However, up till now, the Taiwan authorities have continued to reject peace talks. In the face of the impact of our policies and in the face of the complicated internal contradictions in Taiwan, there is a threat to the foundation of the KMT's rule. Under the pressure of world public opinion, internal differences of opinion have emerged among Taiwan authorities concerning the policy of refusing peace talks. Some people find that the hardline practice has injured Taiwan's image; therefore, they hold that they should take a "moderate" attitude and suggested that they should make counterproposals to us on the question of reunification. In regard to the contacts between people on the two sides, indirect trade, and reports on the situation on the mainland and talking about reunification, sometimes the Taiwan authorities are forced to relax their control, but sometimes they tighten their control and find it hard to cope with the situation. The Taiwan authorities' stand in persisting to "refuse to have contacts, hold talks, or compromise," runs counter to the people's desire. It will be very difficult to maintain this attitude, which deviates from the cardinal principles of righteousness of our nation and runs counter to the trends in the world, for long.

I. 18 Oct 85

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PRC MEDIA ON TAIWAN AFFAIRS

Over 6 years of practice has proved that our policies are popular, the trend in the development of the situation is satisfactory, and there are increasingly greater possibilities for peaceful reunification. At the same time, we should also realize that solving the Taiwan issue will be complicated.

The situation has been improving, and all people, inside or outside the party, inside or outside the PLA, cadres or ordinary people, and in coastal or hinterland areas, no matter what their professions are, have the duty to work for the peaceful reunification of the motherland and to continue to give impetus to the development of the situation toward the direction of the reunification of the motherland.

PRESIDENT CHIANG'S NATIONAL PAY MESSAGE

OW140636 Taipei CHINA POST in English 10 Oct 85 p 1

["Full text" of President Chiang Ching-kuo's message on Republic of China National Day, 10 October]

[Text] Dear Fellow Countrymen:

Our glorious Double Tenth National Day arrives once again amid the enthusiasm and joy of all our compatriots, at home and abroad. As we greet this special day, we see that our achievements on this bastion of our national revival are being increasingly consolidated; and we hear the trumpet call for the reunification of China under the Three Principles of the People growing more and more impelling. We are striding directly toward the guidepost for victory in the course of our anti-Communism and national development endeavors.

On this happy and joyous occasion, we must not forget the exhortation by Dr. Sun Yat-sen, founder of our Republic, to "raise China to a position of independence and equality." And we constantly bear in mind the late President Chiang Kai-Shek's call to "implement the Three Principles of the People and recover the mainland."

For we carry on our shoulders the responsibility to fulfill the anxious expectations of our one billion compatriots on the mainland, who wait to regain freedom and equality, and the very sacred mission to carry forward our five-thousand-year cultural tradition and renew the past glories of Chinese history.

The Chinese Communist regime, after more than 30 years of tyrannical rule and endless struggles and persecutions, can neither weather the harsh tests of its economic decline, nor suppress the anger surging among the mainland people. It has been forced to don a mask of "moderation" and "openness" and to propagate a pretense of "four modernizations," attempting, in this way to pacify internal opposition and to trick the world into giving it the support required to delay its inevitable decay and disintegration.

In fact, the Chinese Communists have been holding high the fallacies of Marxism-Leninism, always motivated by hatred, and treating the people as their enemy. They are now facing the dilemma that, without reform or change, there would be opposition and even rebellions; if they go ahead to reform and change, the regime will become bankrupt. For no matter what manner of reform it chooses, it will not be able to cast off the structural yoke of Marxism-Leninism and thus escape its own devastation. This end is inevitable because of the natural inclination of human beings to win their freedom as demonstrated in the natural course of history itself.

We want to make it very clear that the Republic of China is fully aware of Peking's united front schemes. Accordingly, our policy of not negotiating with the Chinese Communists will never be changed.

It is self-evident, in any case, that the aspirations of the Chinese people have already assumed a definitive direction -- that a solution to the China issue has already materialized: The Chinese people have long since chosen to live under the Three Principles of the People, which are the fruits of our heritage of Chinese culture, so that government of the people, by the people, and for the people may become a reality for all China.

We must further point out that our government's adherence to its fundamental anti-Communist national policy is not a product of party and power struggles, but the key to national survival.

Our purposes are to crush the Marx-Leninist heresy on the anvil of nationalism; to shatter the totalitarian Peking regime against the dynamism of democracy and the rule of law; and finally, to root out poverty and backwardness on the mainland by means of programs devoted to the welfare of all the people and to the equitable distribution of our national wealth.

If all of our compatriots, at home and abroad, continue to pursue unity, renewal, and progress, stand firm in our conviction of final victory over Communism, and consolidate the results of our national development, we can be certain that our efforts will be joined by the anti-Communist compatriots on the mainland to accelerate the downfall of the Chinese Communist tyranny so as to extend the Three Principles of the People throughout all of China!

My dear fellow countrymen, our country must be saved by our own efforts. Our path to a bright future must be paved with our own strength and determination. However difficult our future course may be, if we stand firmly for democracy and constitutional rule, if we march ahead undaunted and with full faith, imbued with the 1911 revolutionary spirit, then the ultimate victory is ours.

The shape of present circumstances convinces me that our national flag, with its blue skies and white sun above the crimson land, will fly across all of China in the near future. And a united China blessed with freedom and equality will, without any doubt, emerge as a result of our combined efforts!

Now, let us all lift our voices in unison:

"Long live the Three Principles of the People!"

"Long live the Republic of China!"

CHINA POST Editorial

OW140647 Taipei CHINA POST in English 10 Oct 85 p 4

[Editorial: "1985 Double Tenth Day"]

[Text] The Government and the people of the Republic of China celebrate today the 74th double tenth national day with great joy and remembrance.

In marking the timely overthrowing of the corrupt Manchu rule of the Ching Dynasty, which lasted 268 years from 1644 to 1911, the people of the Republic of China should never forget the supreme sacrifices and hardship suffered by the revolutionaries and martyrs in conducting their revolutionary deeds. Their attempts to overthrow the Ching Dynasty only succeeded after ten failures, which cost many lives and fortunes.

But they were not discouraged and persisted in their noble undertakings inspired by Dr. Sun Yat-sen's Three Principles of the People and his undaunted leadership in the course of national revolution against Manchu rule. When the Wuchang uprising occurred, the nation responded like wild fire to succeed in overthrowing the Ching Dynasty in 100 days.

It should be pointed out that although the revolutionary army was rather weak or even plagued by mistakes, it had received support and assistance from the troops under the control of non-revolutionaries such as Yuan Shih-Kai who joined Dr. Sun's cause and took control of the revolutionary groups.

Unfortunately, Yuan betrayed the revolutionary goal of Dr. Sun and exploited the successes for his own ambition of ruling China to become emperor. His selfish ambition set back the course of the revolution for many years until the autumn of 1926 when the late Generalissimo Chiang Kai-Shek led the northern expedition to complete the national revolution and unify the nation.

The Chinese communist claim that they had a hand in the revolution of 1911 and that they were the ones who unified the nation is both false and ridiculous for they were non-existent during the revolution; the late generalissimo was the one who unified China. Their claims merely belie their sinister design of trying to steal other people's credits.

As the people of the Republic of China celebrate the 74th double tenth day we should remind all free people everywhere not to fall into the Chinese communist trap of believing in those unfounded claims. Free people everywhere should realize that the Chinese mainland would be a happy place to live in if not for the Chinese communist occupation which has brought nothing but poverty and backwardness to that vast land.

Recent escapees from the Chinese mainland have all testified to this fact, which was also the reason for their escapes to freedom, democracy and economic prosperity on the anti-communist bastion of Taiwan. They also testified to the failure of Teng Hsiao-Ping's economic reforms which have merely brought great increases of commodity prices, Chinese communist corruption and profiteering by its cadres. The people on the Chinese mainland suffer even more as a result of those reforms which benefit only the communist cadres, not the common people.

As we celebrate the 1985 double tenth day, we should not forget the plight of our compatriots on the Chinese mainland. We must do everything in our power to rescue them from further Chinese communist oppression. We not only have the political, military and economic strength to wage such a fight against the Chinese communists, we have the support of all the people on the Chinese mainland who aspire to our early return with the three principles of the people to free them from oppression and suffering. We are sure that our hope will be granted.

As the Chinese mainland has been ravaged by typhoons, earthquakes and floods, we have been favored by excellent weather during the double tenth holidays. The former represents the wrath of heaven while, by contrast, we enjoy its blessings, which may be a good omen for the launching of the second northward expedition to defeat the Chinese communists.

PREMIER YU TALKS WITH FOREIGN JOURNALISTS

OW120405 Taipei CNA in English 0234 GMT 12 Oct 85

[Text] Taipei, Oct 11 (CNA) -- The existence of the Republic of China and its growing influence have given the people on the China mainland hope for the future, Premier Yu Kuo-hwa said Friday. "Indeed, some of the limited changes made by Communist China in recent years result not only from the manifest failure of communism, but also under the pressure of the example of prosperity achieved by the Republic of China," the premier said.

Yu made the remarks at a tea party in honor of 35 foreign journalists who are here to cover the double tenth National Day celebrations.

Yu told the foreign newsmen that only the existence and the example of development of the Republic of China will assure the abolition of communism in Mainland China. "And surely, only a free and democratic New China can contribute to the commonwealth of the community of nations."

Yu also analyzed the country's strategies in the face of the challenges of the 1990's. Yu said: "Our measures, in this respect, are based on principles of cost effectiveness and considerations of the public welfare."

On the upgrading of local industry, Yu said that the ROC Government is seeking a future market with the spirit of innovations.

Yu said that the ROC Government will continue liberalizing and internationalizing its economy. Only by doing so, he said, can the ROC maintain the impetus of industrial innovation.

Yu also said that the ROC Government will emphasize both "hardware" and "software" construction in the process of modernization. The government will stress education and cultural development, he said.

DEFENSE MINISTER ON RAISING PREPAREDNESS

OW101441 Taipei CNA in English 1426 GMT 10 Oct 85

[Text] Taipei, Oct. 10 (CNA) -- Soong Chang-chih, minister of national defense, said Wednesday that the "reunification in a peaceful way" and the "one country two systems" sloganized by the Chinese Communists on the international stage are ploys in essence to shake the morale of the Armed Forces of the Republic of China [ROC] and to deflate the fighting spirit of the people in Taiwan so as to be able to take Taiwan by force.

In view of this, he pointed out, the ROC's Armed Forces are raising the nation's military preparedness and improving their weapon systems in order to increase their tangible and intangible fighting capability and thus secure this nation.

Soong made the remark in a meeting held by two members of the Control Yuan, Huang Kwang-ping and Shih Chung-hsiang. [sentence as received]

FOREIGN MINISTER REPORTS ON RELATIONS WITH U.S.

OW110409 Taipei CNA in English 0325 GMT 11 Oct 85

[Text] Taipei, Oct. 10 (CNA) -- Trade and arms sales are the most important links in the development of Sino-American relations and the two links have been developing steadily over the past several years, said Foreign Minister Chu Fu-sung in a legislative Yuan meeting Wednesday.

Reporting at a foreign affairs committee in the Yuan, Chu said that although there is no official relationship between the two countries, cooperation in trade, culture, athletics, and scientific and technological efforts have kept growing during the past years.

The Republic of China and the United States have been major trading partners for a long time, the foreign minister said, adding that the U.S. dollar 9.8 billion trade surplus in favor of this country has also caused grave concern from the U.S. side.

Chu also projected good results to come from the on-going Sino-American trade talks in Washington, D.C.

As to the arms sales, Chu said, owing to Communist China's interference, the Republic of China has met many difficulties. However, the United States still can provide this country defensive weapons according to the ROC's needs.

The foreign minister also warned of the new-type fighters recently developed by Communist China. The Republic of China on Taiwan should be able to produce weapons by itself and more importantly, the United States should not provide arms or high technologies to Communist China, the ROC foreign minister said.

GOVERNMENT NOT RESPONSIBLE FOR HENRY LIU MURDER

OW160735 Taipei CHINA POST in English 13 Oct 85 p 8

[Text] All the suspects implicated in the Henry Liu murder case have been sentenced to serve jail terms in keeping with the law of the Republic of China [ROC], and the ROC Government should not be held responsible for the crimes of its citizens, an official of the Ministry of Justice said yesterday.

According to wire reports, the widow of Chinese-American writer Henry Liu filed a U.S. \$250 million lawsuit on Friday against the ROC Government and former top military officers and Bamboo Union gangsters for killing her husband in California last Oct 15.

The officials, whose identity was withheld, said that before the ROC Government understands all the details of the lawsuit, it is "inconvenient for it to make any comments."

BOFT TO ASK U.S. TO CANCEL TEXTILE QUOTA CUTS

OW171207 Taipei CNA in English 1039 GMT 17 Oct 85

[Text] Taipei, Oct. 16 (CNA) -- The Government of the Republic of China [ROC] will exert its utmost effort in the forthcoming ROC-U.S. textile consultative talks, trying to ask the United States authorities to cancel the already implemented quota cuts as proposed by the Jenkins Bill, a ranking official with the Board of Foreign Trade [BOFT] said Wednesday.

Lin Yi-Fu, director of the BOFT's second department, said 16 categories of Taiwan-made textile products have been suspended from export to the United States since the beginning of 1984 due to the rising protectionism there. He said that during the textile consultative talks, scheduled for Oct. 22-24 in Washington, D.C., the BOFT will ask the United States to revoke its suspension of importation of Taiwan-made cotton bed sheets, man-made fibre cloth, brassieres and fine cotton yarns or grant bigger quotas to this country for these categories.

Pan Chia-sheng, deputy director general of the BOFT will represent the Republic of China in the textile talks. Other ROC delegates from the BOFT and the Textile Promotion Association will leave Oct. 19 for Washington to join Pan, who is visiting the United States, in the talks.

WEN WEI PO COMMENTS ON SINO-U.S. RELATIONS'

HK180322 Hong Kong WEN WEI PO in Chinese 18 Oct 85 p 2

[Editorial: "Comment on Current Sino-U.S. Relations"]

[Text] In answer to the question of how to assess the present state of Sino-U.S. relations, U.S. Vice President Bush said at a press conference in Beijing: "Sino-U.S. relations have been established on a solid and extensive foundation. Here, "solid" means "unshakable." By saying so, Bush gave a high appraisal of Sino-U.S. relations.

The Chinese leaders' evaluation of present Sino-U.S. relations seems more realistic. Deng Xiaoping described Sino-U.S. relations as "normal," and Zhao Ziyang said that Sino-U.S. relations have made "rather steady progress" and he also pointed out that some things remain "unsatisfactory." Zhao Ziyang also used the word "solid," but only in terms of future efforts. He said: "We should strive for a great development of Sino-U.S. relations on a solid and reliable foundation."

By carefully analyzing the words describing the present situation in Sino-U.S. relations, we may find that there are certainly some differences between the two sides in their viewpoints. The United States tends to give a higher appraisal than China does. It seems the differences in the appraisal of Sino-U.S. relations come from the two sides' different assessments and outlooks on the Taiwan issue.

The three communiques that define Sino-U.S. relations all mention the Taiwan issue. The United States has promised to gradually reduce its arms sales to Taiwan. Although the Taiwan issue was not the main subject of discussion during Bush's current trip, the Chinese leaders clearly pointed out to Bush that the main obstacle to the development of Sino-U.S. relations lies in the Taiwan issue, and only by properly settling this issue can Sino-U.S. relations develop smoothly. China hopes that the U.S. Congress and administration "will adopt a more positive attitude toward the issue of China's peaceful reunification." Does the United States regard the Taiwan issue as a main problem in its relations with China? Bush did not directly answer this question. However, various signs show that the United States is trying to play down the seriousness of this issue and take it apart from the development of Sino-U.S. relations.

At present, the "steady" and "normal" development of Sino-U.S. relations is attributed to the following: First, China is carrying out a peaceful reunification policy and is trying to apply the formula of "one country, two systems" to settle the future of Taiwan. The opening and construction of the coastal areas in Fujian Province, the disbandment of the Fuzhou Military Region, and the measures for promoting the three "links" between the two sides of the Taiwan Strait all demonstrate Beijing's sincerity for peaceful reunification. Second, the United States has basically abided by the principles of the three communiques and has refrained from increasing arms sales to Taiwan, thus preventing the problem from becoming more serious. However, China has never neglected the importance of the settlement of the Taiwan issue. The historical mission of reunifying the motherland is always a major subject considered by Beijing. With the smooth settlement of the Hong Kong issue, the Taiwan issue has become more prominent day after day.

Beijing is actively carrying out the peaceful reunification policy and has proposed talks and cooperation with the KMT authorities in Taiwan, but Taipei has not responded to these calls. Among many other reasons, an important factor is that Taipei can still avail itself of support from the United States. The United States' "Taiwan Relations Act" and arms sales to Taiwan have disrupted the process of China's peaceful reunification, thus removing a solid foundation from the development of Sino-U.S. relations.

Shortly before Bush began his visit to China, BEIJING REVIEW published a strongly worded commentary entitled "Opportunities and Potential Crisis." While reiterating Beijing's principle for peaceful reunification, the article pointed out another possibility. That is, if "succession crises, the independence movement, and other types of political chaos" appear in Taipei, Beijing will be forced to take military action. Sino-U.S. relations will then face a stern test.

The BEIJING REVIEW's commentary is not an official statement. However, the development of economic, political, and social crises in Taipei is a fact. Of course, they have not developed at present to such a serious degree which may give rise to social turmoil, and Beijing's military action is merely a hypothetical possibility. However, this possibility cannot be completely ruled out, and its impact on the development of Sino-U.S. relations must be considered.

Therefore, in order to base Sino-U.S. relations on a solid and reliable foundation, the United States must give up its policy of "interfering in China's internal affairs."

HONG KONG PAPERS ON ABE VISIT, SINO-JAPANESE RELATIONS

HSIN WAN PAO

HK130806 Hong Kong HSIN WAN PAO in Chinese 13 Oct 85 p 1

["New Talk" column: "Giving Prominence to Chiang Kai-shek After Worshipping at the Yasukuni Shrine"]

[Text] Japanese Foreign Minister Shintaro Abe, invited to China by PRC Foreign Minister Wu Xueqian, went to Shanghai to view the Baoshan iron and steel plant after concluding his talks in Beijing. He has now returned home.

The point most commanding attention at these talks was Japanese Prime Minister Nakasone's public worshipping at the Yasukuni Shrine. This incident caused student demonstrations and protests throughout China. Everyone wanted to see what attitude the Chinese foreign minister would take on this matter, and what sort of explanation the Japanese foreign minister would give.

In his speech at the welcoming banquet for Abe, Wu Xueqian reminded Japan not to go back to the old militarist road. Senior Chinese officials have not uttered these weighty words on public occasions for many years; if they were not uttered on this occasion, the demands of the people could not be met.

Wu Xueqian also said that he sincerely hoped that the Japanese Government and far-sighted politicians in Japan would persistently pursue a peaceful foreign policy, keep their promise not to become a military power again, and continue to follow the path of peaceful development.

Deng Xiaoping said when meeting Abe the next day that the general development of relations between the two countries since the establishment of diplomatic ties between them had been satisfactory, but not satisfactory enough. Certain shortcomings exist in the economic and political fields, the ties should continue to develop, and "at the same time the two sides should strive to avoid happenings that hurt people's feelings."

The report did not directly mention Nakasone worshipping at the Yasukuni Shrine, but this was implied in these words. Moreover Abe (who is the son-in-law of Kishi) does not belong to the same faction as Nakasone in the Liberal Democratic Party [LDP], and has decided to run for the premiership after Nakasone departs. The words of the Chinese leaders were therefore quite implicit.

Abe's speech can be viewed from two aspects. On the one hand he declared on behalf of the Japanese Government that "there has not been the slightest wavering in Japan's guideline of cherishing relations with China, and moreover the basic spirit of recalling the past and learning lessons from it has not changed at all." On the other hand, he expressed his personal view that "as foreign minister of Japan, I sincerely hope to further develop the friendship and cooperation of today and pass it on to posterity."

Given these public statements by the foreign ministers of the two countries, it is probable that the incident of Nakasone worshipping at the Yasukuni Shrine is regarded as over and done with; and his original plan to worship again at the shrine on 17 October will be cancelled.

However, as to whether Japan is truly capable of not going back to the hold militarist road and will truly not harm the Chinese people's feelings again, this will have to be judged from the future specific behavior of the Japanese authorities; it is a case of listening to what they say and watching what they do.

The latest report says that a number of figures in the ruling LDP have set up an "association for giving prominence to the virtuous legacy of Mr Chiang Kai-Shek." They will spend 350 million yen (HK\$10 million) to engage in political activities in the autumn of next year under the pretext of marking the 100th anniversary of the birth of Chiang Kai-shek. The honorary adviser of this association is none other than Kishi, who is Abe's father-in-law, and the initiators will include Kanamaru, currently executive director of the LPD, and Fujio, chairman of its political mediation committee.

When China and Japan set up diplomatic relations, Japan declared that it recognized the PRC Government as the sole legitimate government. China is currently exerting great efforts to bring about the peaceful reunification of the motherland. Yet leading members of Japan's LDP are actually taking the lead in engaging in political activities diametrically opposed to the principles of the establishment of diplomatic ties between the two countries. Therefore, further observations are needed to see what the truth really is when Japan says that "there has not been the slightest wavering in Japan's guideline of cherishing relations with China."

WEN WEI PO

HK140258 Hong Kong WEN WEI PO in Chinese 14 Oct 85 p 2

[Text] Will Japan move toward militarism? All the countries of Asia are concerned about this.

Japan, which has worked hard to become an economic power under the protection of the American umbrella, is today laying stress on the prospect of the United States cutting back on defense in Asia and reducing its military burden in Japan. And the Soviet Union, separated from Japan only by a sea, is strengthening its Far East defenses and has set up military installations on the Kuril Islands to the north of Japan. It is obvious that Japan is strengthening its defenses. The national defense budget recently submitted by the Nakasone government has in fact already exceeded 1 percent of the gross domestic product; if they say this is inadequate, they are just playing a video game.

The reason Japan's strengthening of its defenses catches people's attention is linked to its history of aggression, and still more to its attitude in viewing its history of aggression. The affair of the school textbooks caused disquiet in neighboring countries, and Nakasone's visit to the Yasukuni Shrine in his capacity of "prime minister" has aroused the concern and anger of neighboring countries, and especially the Chinese people, still more.

If Japan takes this attitude toward its past crimes of aggression, should people not worry about where the gradual increase in its military strength is leading?

PRC Foreign Minister Wu Xueqian told the visiting Japanese Foreign Minister Shintaro Abe that he hoped the Japanese Government and far-sighted politicians would seriously keep Japan's promise not to become a military power and not to follow a militarist path. In these words he spoke the minds of the Chinese people. Abe said: "Japan feels deeply its responsibility for causing tremendous damage to China during World War II, and profoundly regrets this." We hope this is genuine "regret," and not like what happened previously, when the class 1 war criminal Tojo was exalted as a "national hero" and the prime minister personally visited the Yasukuni Shrine.

Is it only the Chinese people who oppose the Japanese Government's worshipping at the Yasukuni Shrine? Within Japan the Socialist and Komeito Parties also oppose it. What a country which has launched wars of aggression in the past should do is to distinguish the rights and wrongs regarding the wars, review the lessons of history, and avoid turning back to the old road. West Germany can be regarded as a mirror in this respect. West Germany has only censured the Nazis, not prettified them, and at least people there have not joined in worshipping Hitler and company.

On 3 October, Kanamaru, executive director of the ruling Liberal Democratic Party, and Fujio, chairman of its political mediation committee, were the initiators in setting up an "association for giving prominence to the virtuous legacy of the revered Chiang (meaning Chiang Kai-shek)." Kishi is honorary adviser to this association. Over \$1 million will be spent in preparing various activities. What is the motive of these activities? Will they hurt the Chinese people's feelings? People are closely watching this. Deng Xiaoping pointed out when receiving Abe: There are still some shortcomings between the two countries in the economic and political fields. We believe these political shortcomings will include the attitude of certain people toward the history of aggression and the covetous feelings of certain people regarding Taiwan.

Abe's visit to China plays the part of a link. It remains to be seen whether this link has already produced results in stimulating the Japanese Government to readjust certain of its methods.

SOUTH CHINA MORNING POST

HK150411 Hong Kong SOUTH CHINA MORNING POST in English 15 Oct 85 p 9

[By K. C. Tsang]

[Text] Putting the pieces together, all does not seem to bode well for Sino-Japanese relations in the months ahead.

Indeed, though both sides refuse to admit it publicly, relations have reached their lowest ebb since the two countries established diplomatic ties in 1972. The differences range from political to historical and economic issues.

Behind the facade of a warm welcome for the Japanese foreign minister, Mr Shintaro Abe, on his recent visit to China lurked a host of problems which could turn back the tide of Sino-Japanese friendship. Top of the list is China's suspicion that Japanese militarism, which unleashed millions of Japanese soldiers on a murderous rampage through China before and during World War II is being allowed to rear its head again. From Beijing's viewpoint, the first concrete sign of a militarist resurgence came when the Japanese prime minister, Mr Yasuhiro Nakasone, made an official visit to the Yasukuni (Shinto) shrine in Tokyo in August -- the first post-war prime minister to do so.

It is dedicated to Japan's 2.46 million war dead, including those tried and sentenced by Allied courts for atrocities committed in China and other Asian countries during the war.

Despite Japan's assurances that its policy of maintaining friendly relations with China had not changed, the shrine visit triggered a series of protests and demonstrations led by university students in China. The protests were apparently conducted under the approving eyes of Chinese officials, though they were anxious to make sure that the anti-Japanese feeling would not get out of hand.

Yesterday there was a new development in the erosion of relations between the two. It came in the form of a disclosure by a pro-Beijing paper in Hong Kong that rightwing elements in the Japanese Diet (parliament) and business circles have launched a memorial fund to honor Taiwan's late President Chiang Kai-shek for his "moral deeds." The reports, quoting the ASAHI SHIMBUN, said the HK\$13 million fund was set up recently to prepare for a major ceremony to commemorate the centenary next autumn of President Chiang's birth.

One of the founders of the fund is a former Japanese prime minister, Mr Nobusuke Kishi, who has become honorary adviser to the fund. The Japanese newspaper said the Chinese Government "has unofficially expressed concern over the matter as it is related to the issue of creating two Chinas." The newspaper predicted that the development is likely to create a bigger shock than did Mr Nakasone's official visit to the Shinto shrine.

The series of activities being planned in memory of President Chiang will be totally unacceptable to China's communist rulers who fought a civil war against Chiang Kai-shek's Kuomintang (Nationalist Party) and forced him to retreat to Taiwan in 1949.

What has become most unpalatable to the Chinese communists is the politicians' assertions about the "useful role played by President Chiang Kai-shek over the ending of the war between Japan and China." It is a clear reference to the late president's policy of letting bygones be bygones, despite the atrocities committed by the Imperial Japanese Army in China.

It remains to be seen whether rightwing politicians in Japan are resurrecting this notion in reply to China's protest over the Shinto shrine affair. But whatever the motives of Japan's pro-Taiwan elements, these developments will certainly dampen Sino-Japanese relations at a time when they are already strained by economic problems.

These range from complaints by China over the alleged low quality of certain imported Japanese goods to a heavy trade deficit incurred by China.

If ASAHI's reference to the Chinese attitude on President Chiang's moral deeds is correct, there is no question that the deteriorating relations are receiving top-priority attention in Beijing. Relations with Japan form the cornerstone of China's foreign policy.

One China trade source based in Hong Kong said that recent attempts by China to expose the inferior quality of certain Japanese products could not be viewed as an isolated incident. There were also complaints from Chinese officials in recent meetings with Mr Abe over the "inadequacy" of technology transfer and investments from Japanese businessmen.

Straightforward as the Chinese leaders' remarks were, Mr Abe did not seem to have made any concessions on these or other issues, according to agency reports yesterday quoting diplomatic observers in Beijing.

All this indicates an unfavourable twist in Japanese sentiments towards China. The portents are for a rougher ride in relations between the two.

WEN WEI PO ARTICLE ON SINO-SOVIET BORDER CONTACTS

Part II

HK110907 Hong Kong WEN WEI PO in Chinese 8 Oct 85 p 1

[Article by reporter Cheng Hsiang: "Background to the Reconstruction of the Northern Xinjiang Railway" -- Impressions from Xinjiang (Part II)"]

[Text] With the gradual relaxation of Sino-Soviet relations, the contacts between Xinjiang and some neighboring Soviet Union republics have increased step by step. On the occasion of the 30th anniversary of its founding, the Xinjiang Autonomous Region invited the responsible persons of the Sino-Soviet friendship associations of the Kazakh Republic, the Kirghiz Republic, and the Uzbek Republic to the celebration. They were accorded a special reception in Xinjiang. Wang Zhen, head of the CPC Central Committee delegation, met with them. Ahamaituofu, head of the Soviet delegation and vice chairman of the Sino-Soviet Friendship Association, said that the Xinjiang invitation had been unexpected and that he was very happy to be given such a special reception. He also invited Xinjiang to send delegations to these republics to attend the activities to mark this year's October Revolution. It has been said that this is one of the highest level delegations to visit Xinjiang since the resumption of Sino-Soviet talks. Although it is still a local activity, the members of the delegation are all senior local officials. This indicates the changes taking place in Sino-Soviet relations. We can gain some enlightenment from the following:

The Reconstruction of the Northern Xinjiang Railway

First, following the reopening of the Huoerguosi and Tuergete border crossings to the Soviet Union in 1983, China will open up a few more posts next year so as to increase the number of Xinjiang's border trade posts to seven (two ports and five posts). The volume of Sino-Soviet trade (through Xinjiang) in 1984 was 70 million Swiss francs and is estimated to reach 100 million Swiss francs by the end of this year. With the increasing number of posts next year, it is believed that there will be a further expansion of border trade.

Second, China has decided to reconstruct the northern Xinjiang railway. The plan to build the northern Xinjiang railway, which runs from Urumqi to Alataw Shankou via Shehezi, Karamay, and Usu, was drafted in the 1950's. China's original intention was to link this railway with another new railway built by the Soviet Union so as to enhance the railway connections between the two countries. The roadbed from Urumqi to Usu was already paved, but the plan was shelved due to deterioration of relations between the two countries.

As the Soviet Union has extended the railway to the Sino-Soviet border in Alataw Shankou, China had decided to resume the plan this year. Track laying started on the eve of the 1 October National Day and is expected to reach Alataw Shankou by 1990.

Conversation Between Wang Zhen and Wang Enmao

When Wang Zhen was laying a foundation stone for the northern Xinjiang railway the other day, he jokingly asked Wang Enmao, secretary of the Xinjiang Autonomous Region: "Are you not afraid that it will be easier for the Soviet Union to invade our country?" Wang Enmao replied with assurance: "No, I am not afraid." We can judge from this casual conversation that China is well prepared. According to Xinjiang officials, it was the Soviet Union which requested China to reconstruct the railway. China complied with the request after carefully considering the matter and realizing that it would not cause a political or military threat to China.

Two Hundred Thousand People Resettled in Soviet Union

Third, the exchange of visits between the border people has increased remarkably. According to reports, a total of 300,000 Xinjiang people are residing abroad, including 200,000 residing in the Soviet Union. In the past relatives residing on both sides of the border were not allowed to visit each other. Now the people on both sides may cross the border to visit their relatives or even settle down. Although there are only a few hundred people crossing the border each year, this is, after all, a good beginning. A young Uygur girl was responsible for receiving the reporter. Her parents are now applying to the Beijing authorities to settle down in the Soviet Union. The Overseas Chinese Affairs Office of the autonomous region has also been busy in recent years. Large numbers of people come from the Soviet Union every year to visit their relatives. In addition, low-level cultural exchanges between both sides of the border have also increased.

Fourth, viewed from the long-term development of Xinjiang as a whole, the autonomous region has regarded opening up to the west as a way to overcome the unfavorable factors that obstruct Xinjiang's development. The feasibility of some important industrial production plans is based on a tentative idea, that is, a peaceful and stable railway is necessary to transport the goods to East and West Europe via the Soviet Union.

In an interview given to Hong Kong and Macao reporters, Ismail, chairman of the autonomous region, emphatically pointed out that China sincerely wishes to improve its relations with the Soviet Union because it will benefit both countries and particularly the people on both sides of the border.

Part III

HK110908 Hong Kong WEN WEI PO in Chinese 9 Oct 85 p 3

[Article by reporter Cheng Hsiang: "Xinjiang Should Open Its Western Gate -- Impressions From Xinjiang (Part III)"]

[Text] Since my arrival in Xinjiang, I have formed a very strong impression -- Xinjiang should open its western gate side. Opening the western gate will surely give an impetus to the economic development of Xinjiang.

Give Full Play to Its Special Characteristics, Open Its Western Gate

The minority nationalities living in Xinjiang resemble the peoples of central and western Asian countries in terms of their race, languages, religious faith, and customs. The physical characteristics of the minority nationalities in Xinjiang, such as their eyes, ears, nose, mouth, and figure, as well as the color of their skin and hair, are different from those of the Han nationality but very similar to those of the Arab peoples and the Soviet people in central and western Asia. In terms of their spoken and written languages, the written languages of Uygur, Kazak, and other nationalities in Xinjiang are basically formed by Arabic alphabets but with different pronunciations.

About 10 percent of the words in the Uygur language come from Arabic, and 60 percent of the Uygur words are Turkish. Therefore, Uygur people will not have any language difficulty in Turkey. On the other hand, as Xinjiang is geographically close to the Soviet Union, the Uygur language has adopted words from the Slavic language since the 1930's. In addition, as China had launched a language reform movement to turn the Uygur language more "Slavic," the Uygur language has had closer links with Slavic of the Soviet Union. Regarding their religion, the whole of western Asia, the Gulf, Pakistan, and Xinjiang join together to form a vast Islamic area. Some minority nationalities in Xinjiang are members of the Eastern Orthodox Church, a factor linking them closer with the Slav nationalities. Moreover, the minority nationalities in Xinjiang and the peoples in central and western Asia are quite similar in their habits and their way of doing things. Their cuisine, costumes, and architectural styles are of the same origin. The Karez irrigation system and (Sugong) style pagodas which are common in Xinjiang can be found everywhere in central and western Asia.

In view of these characteristics, the late Premier Zhou Enlai, during his inspection of Xinjiang in 1965, instructed the authorities concerned to train more people of minority nationalities in Xinjiang into diplomats familiar with central and western Asia and specialists in religion and philosophy because they could be trained much more readily than Han people. It was a pity that the "Cultural Revolution" burst out when this plan was about to be implemented. The plan was then shelved and has not yet been reconsidered so far.

More and More Communications Facilities Are Available

More and more communications facilities necessary for the "opening of the western gate" are now available.

1. A feeder line of the Soviet Siberian railway now stretches to Alatau Pass on the Sino-Soviet border, only 500 km from Urumqi. China has planned to complete the construction of the northern Xinjiang railway in the period of the Seventh 5-Year Plan. The two railways joined together will become the third railway link linking China and the Soviet Union. By that time the transportation line between the two countries will be shortened by 1,000 to 1,500 km.

2. China has helped Pakistan build a first grade highway linking Kunjirap Daban Pass on the Sino-Pakistani border to Karachi.

During the period of the Seventh 5-Year Plan, China is to upgrade the highway linking Kashi, a major city of southern Xinjiang, with Kunjirap Daban Pass, with the aim of exporting goods through Pakistan. Now this highway will open Xinjiang to third countries. The distance between Kashi and the Arabian Sea is merely 2,000 km, but the distance from Kashi to the east coast of China is 4,000 km. Obviously it is much more economical to transport goods westward than eastward if China opens its door on its western border.

3. The Urumqi airport is in itself an international airport which can accommodate all types of large airplanes. Xinjiang is preparing to establish its own airline company and has already ordered three airplanes. The central authorities have also approved in principle Xinjiang's plan to introduce civil aviation service with neighboring countries.

The Economic Results Are Foreseeable

One can readily foresee the following effects of the action of opening the western gate:

1. Xinjiang will be able to supply consumer goods in a steady flow to several neighboring Soviet republics. It is reported that these Soviet republics are inferior to Xinjiang in terms of their standard of living and their industrial potential.

Therefore, Soviet residents living in the border areas often cross to Xinjiang to buy consumer goods. If the western gate is opened, Xinjiang will be able to expand the market for its consumer goods, and the Soviet Union will be able to export in its turn timber to Xinjiang to make up the latter's needs.

2. Live sheep and wool produced in Xinjiang are particularly well received in the Middle East and the Arab region. The opening up of the western gate will give an impetus to animal husbandry in Xinjiang.

3. Xinjiang produces many minerals which are in short supply but well received in the international market. The region failed to export these products in the past simply because it is located at the middle of the Asian Continent. After the western gate is opened, the distance between Xinjiang and Western Europe will be shortened considerably and those mining projects which were not feasible because of high transportation costs may be reconsidered.

PRC PAPER CITED ON CADRE PROBATIONARY SYSTEM

HK130702 Hong Kong MING PAO in Chinese 13 Oct 85 p 5

["Special Dispatch From Shanghai": "'Accelerated Three-Grade Promotion' of Cadres Encourages Mood of Opportunism"]

[Text] Since China launched the structural reform, a number of problems have occurred in promoting cadres, of which the most conspicuous one is the promotion of cadres in an "accelerated three-grade" manner. Consequently, some people have proposed implementing a "probationary period system" in promoting cadres.

ZUZHI RENSHI XUNXI BAO [Organization and Personnel Information] carried an article recently which pointed out that a new practice has appeared in promoting cadres since the structural reform: Some young cadres are promoted to leading posts, but before becoming familiar with the situation or being able to display their capabilities, they are again promoted to leading posts at a higher level. People regard this practice as an "accelerated three-grade promotion." They humorously say: They are section heads today, but they will become directors tomorrow. It is so difficult even to keep up with the way to address them.

Compared with the cadres promoted like a "rocket," the cadres promoted in an "accelerated three-grade" manner have an additional "flourish." These two ways of promoting cadres have the characteristics of blindness and opportunism. As a result, some cadres are selected properly, while some are not. Some opportunists who curry favor with people in authority for personal gain are even promoted to leading bodies.

This is not a rare case. For example, Liu Zemin, a director of the Chongqing machine tool plant was promoted from an ordinary worker on 1 August last year. In less than a year, he was removed from office.

When Liu Zemin assumed power, he said: "The implementation of the system of the factory director assuming sole responsibility means that I have the say." He acted arbitrarily, irrespective of supervision and democratic management. Under his leadership, the maintenance and fixed assets depreciation funds retained by the Chongqing machine tool plant last year totaled 738,000 yuan. Of this, expenses for production amounted to 278,000 yuan, while nonproductive expenses reached 460,000 yuan. Over the past 2 years, the plant retained profits totaling 620,000 yuan, which was all distributed and used by early 1985. The special funds withdrawn early this year were also diverted to other purposes. By March this year, the plant owed loans totaling 790,000 yuan and financial depreciation funds totaling 200,000 yuan. The total debt reached 1.03 million yuan.

Beijing's HUASHENG BAO carried an article on 17 September which proposed the implementation of a probationary period system in promoting cadres. According to the probationary period system, a cadre to be promoted will be given a probationary period of 1 year. After the probationary period, he will be officially appointed or his probationary period will be annulled in light of his ability, political integrity, and achievements.

The article summed up the advantages of this method: First, the quality of the newly promoted cadres is ensured; second, the practice of lifelong tenure of office in the cadre system can be eliminated and those with merits can be promoted while those who are incompetent can be downgraded without delay; and third, the unhealthy tendencies in appointing or removing cadres can be avoided.

MING PAO CITES YANG DEZHI ON PLA REORGANIZATION

HK150300 Hong Kong MING PAO in Chinese 14 Oct 85 p 5

["Special Dispatch From Beijing": "Yang Dezhi Stresses in Speech the Whole Army Must Persevere in Reorganizing and Streamlining, and Training and Consolidation Is To Be Conducted by Yearend"]

[Text] In the course of streamlining and reorganizing the PLA, the state of mind has become a bit confused and some disorder has appeared in the Army's work. The military leadership called on all officers to be firm in their morale and do a good job from beginning to end in the Army's streamlining and reorganization.

At a meeting of the Central Military Commission ending on 28 September, Chief of Staff Yang Dezhi summed up the results of the Army's structural reform and force reduction. He pointed out: The ongoing Army reorganization and force reduction involve a large number of troops, and many officers will face changes in their posts. In order to ensure the orderly development of the streamlining and reorganizing work according to the set plan, the streamlining and reorganizing work in all units, including the units to be disbanded or merged or shifted to a lower level, should be subject to the leadership of the party committees. Units at all levels must strictly perform their duties, and no officer is allowed to leave his post before his unit is officially disbanded or merged.

Yang Dezhi stressed: All officers of the disbanded units, especially the principal leaders, must stay at their posts and be responsible for the whole process of streamlining and reorganization. Officers who have been appointed to new posts should leave their original posts only after the work of streamlining and reorganization is completed. If they are urgently needed at their new units, the superior Army organ should appoint competent cadres to replace them. In order to stabilize the morale of the troops and prevent disorder in work, big Army units should coordinate the schedules for streamlining and reorganizing work in different subordinate units and departments and should divide this work into a number of steps.

In his speech, Yang Dezhi mentioned four points that should be noticed and properly solved in the work: First, the relationship between the part and the whole should be correctly handled so as to resolutely fulfill the task for streamlining and reorganizing the Army. Second, leadership should be strengthened and scientific plans should be drawn up for the streamlining and reorganizing work so as to ensure the steady and smooth development of this work. Third, all Army units should properly coordinate the streamlining and reorganizing work with other work with an eye on their long-term development. Fourth, all Army units and soldiers should subject themselves to the overall interests and should strengthen their unity.

The chief of staff said: After the streamlining and reorganization of various Army units is completed, they should concentrate on consolidating and training the troops, and this should begin by the end of this year. Education in ideology and discipline should be strengthened. The thoughts and style of the troops should be straightened out. Normal work order should be restored as soon as possible. All big Army units should properly formulate new training plans for the reorganized troops and must ensure the normal operation of the war preparation system, the military command mechanisms, and the battle guarantee networks.

Finally, Yang Dezhi said: The merger and reorganization of Army units will not only combine a number of Army units into one unit in military organization; what's more, the men and officers of these units should be really united into a single combat collective with a firm will. When transferring and reappointing officers in the course of reorganization, all people should be treated equally without discrimination. Army cadres are not allowed to contend with each other for a higher position or for a larger proportion for their original units. Appointments must not be based on the affiliation of a cadre with an original unit.

KMT 'SPY' ARRESTED, UNDERGOING TRIAL IN GUANGXI

HK160350 Hong Kong WEN WEI PO in Chinese 15 Oct 85 p 10

[Special dispatch from Nanning on 14 October by staff special reporter Li Hai:
"Taiwan Spy Huang Zhuhai Falls Into the Net in Pingle"]

[Text] Recently, a KMT spy case was cracked in Pingle County, Guilin, Guangxi. The KMT spy, Huang Zhuhai, was arrested by the public security organ and is now being tried.

Born in Guangxi's Pingle County, Huang Zhuhai, a neighborhood youth, has no proper occupation. Seizing the opportunity of a visit to his relatives between the end of 1983 and the beginning of 1984, he took the initiative to establish contact with KMT's espionage agency stationed in Hong Kong and received training in spying. After returning to the mainland, Huang Zhuhai frequently carried out his activities in such places as Guilin, Wuzhou, and Pingle and sent several reports on political, military, and economic information to the KMT's secret service in Hong Kong. He was thus given handsome rewards.

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